SKEENA
RESOURCES LTD.

(an exploration stage enterprise)

Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2018 and 2017

(Unaudited - expressed in Canadian Dollars)

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 28, 2018

SKEENA RESOURCES LIMITED

(an exploration stage enterprise)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2018	December 31, 2017
ASSETS			
Current			
Cash and cash equivalents		$ 7,878,115	$ 1,017,391
Receivables	5	1,385,129	1,316,901
Prepaid expenses		225,387	215,248
		9,488,631	2,549,540
Deposits	6	2,042,500	2,042,500
Exploration and evaluation interests	7	20,519,347	20,528,183
Equipment	8	664,068	672,806
		$ 32,714,546	$ 25,793,029
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	$ 2,682,173	$ 1,794,757
Flow-through share premium liability	10	1,043,130	805,551
		3,725,303	2,600,308
Provision for closure and reclamation	11	1,091,398	1,091,398
		4,816,701	3,691,706
SHAREHOLDERS' EQUITY			
Capital stock	12	78,750,475	71,362,300
Reserves	12	10,941,442	9,299,442
Deficit		(61,794,072)	(58,560,419)
		27,897,845	22,101,323
		$ 32,714,546	$ 25,793,029

GOING CONCERN (NOTE 1)
SUBSEQUENT EVENTS (NOTE 14)

ON BEHALF OF THE BOARD OF DIRECTORS:

signed "Ronald K. Netolitzky"
Director

signed "Donald Siemens"
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)

	Note	For the three months ended March 31 **2018**	**2017**
ADMINISTRATIVE EXPENSES			
Exploration and evaluation	7	$ 1,505,676	$ 815,783
Share-based payments	12, 9	1,166,000	594,661
Consulting	9	1,248	115,136
Investor relations		197,549	107,636
Professional fees		55,950	8,894
Travel		21,626	30,900
Transfer agent and listing fees		15,310	20,391
Office and administration		81,647	36,303
Rent and other		52,955	54,439
Property research		50,364	39,830
Shareholder communications		29,541	8,903
Wages	9	194,317	57,168
Foreign exchange (gain)		(1,116)	(406)
Flow-through share premium recovery		(184,778)	(90,940)
Accretion of provision for closure and reclamation		8,836	-
Interest expense (income)		(29)	707
Amortization		38,557	29,691
Net loss and comprehensive loss for the year		$ (3,233,653)	$ (1,829,096)
Loss per share		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding		90,328,548	53,587,770

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'
	Shares	Amount	Options	Warrants	Total Reserves	Deficit	Equity
Balance at December 31, 2016	53,587,569	$ 60,241,924	$ 5,875,106	$ 2,735,214	$ 8,610,320	$ (48,558,352)	$ 20,293,892
Share issue costs	-	-	677,659	-	677,659	-	677,659
Loss for the three months	-	-	-	-	-	(1,829,096)	(1,829,096)
Balance at March 31, 2017	53,587,569	60,241,924	6,552,765	2,735,214	9,287,979	(50,387,448)	19,142,455
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

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	
	2018	**2017**
OPERATING ACTIVITIES		
Loss for the period	$ (3,233,653)	$ (1,829,096)
Items not effecting cash		
Amortization	38,557	29,691
Accretion of reclamation liability	8,836	2,369
Share-based payments	1,642,000	677,659
Flow-through recovery	(184,778)	(90,940)
Changes in non-cash working capital		
Receivables	(68,228)	72,137
Prepaid expenses	(10,139)	20,418
Accounts payable and accrued liabilities	893,302	(239,065)
Net cash used in operating activities	(914,103)	(1,356,827)
FINANCING ACTIVITIES		
Proceeds from share issuance	7,810,532	-
Net cash used in financing activities	7,810,532	-
INVESTING ACTIVITIES		
Reclamation costs paid	-	(25,725)
Purchase of equipment	(35,705)	(25,125)
Net cash (used in) investing activities	(35,705)	(50,850)
Change in cash and cash equivalents during the period	6,860,724	(1,407,677)
Cash, beginning of the period	1,017,391	2,617,268
Cash and cash equivalents, end of the period	$ 7,878,115	$ 1,209,591

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 (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 of 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 and non-arm's length loans, 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, 2018		December 31, 2017
Working capital (deficiency)	**$**	**5,763,328**	$	(50,768)
Deficit	**$**	**(61,794,072)**	$	(58,560,419)

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 financial statements have been prepared using the accounting policies as set out in the audited annual financial statements for the year ended December 31, 2017, 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, 2017.

The Board of Directors approved these condensed interim consolidated financial statements on May 28, 2018.

2. BASIS OF PRESENTATION (continued)

Basis of measurement

These consolidated financial statements have been prepared on an historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Principles of consolidation

These 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
Skeena Mexico S.A. de C.V.	Mexico
Sona Resources Corp.	Canada
No. 75 Corporate Ventures Ltd.	Canada
Mount Rainey Silver Inc.	Canada

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

Significant accounting estimates and judgments

The preparation of these 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 and recoveries during the reporting periods. Actual outcomes could differ from these estimates, 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.

These consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, Seeker Resources Corp. (“Seeker”), a British Columbia corporation, and Skeena Mexico S.A. de C.V. (“Skeena Mexico”), a Mexican corporation. All significant intercompany balances and transactions have been eliminated.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

Accounting standards issued and effective January 1, 2019

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 is in the process of determining the impact of IFRS 16 on its financial statements.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS (continued)

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company in the three-month period ended March 31, 2018:

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. As the Company has no debt instruments measured at fair value, this change had no impact on the financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have any revenue from customers, this change had no 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 change had no impact on the financial statements.

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. The Company classifies its financial instruments as follows: cash is classified as FVTPL; receivables and deposits are classified as loans and receivables; and accounts payable and accrued liabilities and exploration advances, if any, as other financial liabilities. The carrying values of these instruments approximate their fair values due to their short term to maturity.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company manages credit risk, in respect of cash, by placing its cash with major Canadian financial institutions. Management believes that credit risk with respect to receivables is minimal, as the majority consists of amounts due from Canadian governmental agencies.

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, 2018.

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, 2018, the Company is not exposed to significant market risk.

(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.

		2018		2017
Mineral Exploration Tax Credits	$	855,712	$	855,712
Goods and Services Tax		453,397		389,438
Other		76,020		71,750
Total	$	1,385,129	$	1,316,900

6. DEPOSITS

Deposits are amounts placed as security, either in conjunction with a lease for office space, or as deposits with governments 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, 2016	$ 70,000	$ 216,000	$ -	$ 97,993	$ 100,000	$ 483,993
Additions	1,542,000	-	21,000	(4,493)	-	1,558,507
December 31, 2017 & March 31, 2018	$ 1,612,000	$ 216,000	$ 21,000	$ 93,500	$ 100,000	$ 2,042,500

As part of the Mines Act permit covering the Snip property, the reclamation security required over the property is $2,870,000, in addition to an amount of $112,000 held as security at Snip in relation to recent activities. The second payment of $1,370,000 to complete the bonding requirement is due on June 30, 2018.

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 2,00,000 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. Consideration of $280,280 was allocated between the fair values of assets acquired and liabilities assumed, resulting in recognition of a liability of $649,534 for closure and reclamation costs and an asset of $924,382 as exploration and evaluation interests. A subsequent change in the ARO estimate led to a decrease of $5,432 in the ARO estimate and in the amount shown as Exploration and Evaluation Interests asset for Snip.

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 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 9.3 grams of gold per ton.

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 (Note 13). 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 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, 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 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, of which $1,500,000 must be incurred by December 18, 2019. In addition, Skeena has agreed to pay Barrick $10,000,000; and to reimburse Barrick for reclamation expenditures incurred during the Option period; and to post security with the government to cover the reclamation bond amount on the Property, provided that the $10,000,000 payment will be reduced by the amount that the reclamation expenditures and reclamation bond amounts, in aggregate, exceed $7,700,000. This represents a total anticipated purchase price of $17,700,000 provided that the reclamation expenditures and reclamation bond amounts, in aggregate, do not exceed $17,700,000.

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 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 from a joint venture.

(Unaudited - expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION INTERESTS (continued)

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.

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.

Subsequent to March 31, 2018, the Company announced on May 2, 2018, that it has entered into a non-binding letter of intent to sell Mount Rainey Silver to Strikepoint Gold Inc. ("Strikepoint"). Subject to regulatory approval, financing, due diligence and the execution of a definitive binding agreement, Skeena would receive $3.5M, half in cash, half in Strikepoint common shares, in addition to a 1% NSR, half of which may be repurchased by Strikepoint for $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, $12 million in Canadian corporate income tax loss carry forwards were also acquired along with 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 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 appeal has now been heard by the Supreme Court and the Company is awaiting the Court's decision. As a result, none of the total purchase consideration of $3,428,165 was allocated to the Elizabeth property.

Exploration and evaluation interests assets

Acquisition costs have been capitalised as follows:

	Snip	GJ	Eskay	Porter Idaho	Blackdome	Total
Total at Dec. 31, 2016 and Mar. 31, 2017	$ 224,030	$ 8,888,710	$ -	$ 4,298,258	$ 4,630,016	$ 18,041,014
Share payments	56,250	1,500,000	-	-	-	1,556,250
Assumption of liabilities	644,102	-	-	-	36,817	680,919
Costs	-	-	250,000	-	-	250,000
Total at Dec. 31, 2017	$ 924,382	$ 10,388,710	$ 250,000	$ 4,298,258	$ 4,666,833	$ 20,528,183
Adjust closure liability	(8,836)	-	-	-	-	(8,836)
Total at Mar. 31, 2018	$ 915,546	$ 10,388,710	$ 250,000	$ 4,298,258	$ 4,666,833	$ 20,519,347

(Unaudited - expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION INTERESTS (continued)

Exploration and evaluation expenses

Exploration and evaluation costs have been incurred as follows:

2018	Snip	GJ	Eskay	Porter Idaho	Blackdome	Total
Claim renewals and permits	$ 41,513	$ -	$ 31,876	$ 12,518	$ 24,944	$ 110,851
Fieldwork, camp support and local office	345,533	3,258	-		3,200	351,991
Assays and analysis/storage	102,115	-	-	-	-	102,115
Community relations	34,206	-	-	-	-	34,206
Drilling	17,703	-	-	-	-	17,703
Environmental studies	4,824	-	-	-	535	5,359
Geology, geophysics, and geochemical	191,520	53,946	11,112	5,513	1,725	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	$ 1,357,049	$ 57,204	$ 42,988	$ 18,031	$ 30,404	$ 1,505,676

2017	Snip	GJ	Eskay	Porter Idaho	Blackdome	Total
Claim renewals and permits	$ 14,011	$ 130	$ -	$ 927	$ 10,029	$ 25,097
Fieldwork, camp support and local office	993	9,829	-	-	-	10,822
Assays and analysis/storage	3,478	10,187	-	161	-	13,826
Community relations	11,724	29,073	-	-	-	40,797
Environmental studies	15,794	37,965	-	-	2,801	56,560
Geology, geophysics, and geochemical	114,585	344,928	-	6,428	6,088	472,029
Metallurgy	-	113,654	-	-	-	113,654
Share based payments	27,666	55,332	-	-	-	82,998
Total for the three months ended March 31, 2017	$ 188,251	$ 601,098	$ -	$ 7,516	$ 18,918	$ 815,783

(Unaudited - expressed in Canadian dollars)

8. EQUIPMENT

Cost	Computer Software	Computer Equipment	Field Equipment	Office Equipment	Total
Balance, December 31, 2016	$ 30,537	$ 25,642	$ 88,933	$ 95,616	$ 240,728
Additions	16,827	5,143	553,210	-	575,180
Disposals	-	(3,746)	-	-	(3,746)
Balance, December 31, 2017	47,364	27,039	642,143	95,616	812,162
Additions	-	24,581	5,238	-	29,819
Balance, March 31, 2018	**$ 47,364**	**$ 51,620**	**$ 647,381**	**$ 95,616**	**$ 841,981**
Accumulated Amortization					
Balance, December 31, 2016	$ 8,284	$ 7,905	$ 7,108	$ 20,802	$ 44,099
Amortization	26,889	7,974	49,176	14,964	99,003
Disposals	-	(3,746)	-	-	(3,746)
Balance, December 31, 2017	35,173	12,133	56,284	35,766	139,356
Amortization	3,048	2,606	29,421	2,993	38,068
Balance, March 31, 2018	**$ 38,221**	**$ 14,739**	**$ 85,705**	**$ 38,759**	**$ 177,424**
Carrying Value					
Balance, December 31, 2017	$ 12,191	$ 14,906	$ 585,859	$ 59,850	$ 672,806
Balance, March 31, 2018	**$ 9,143**	**$ 36,881**	**$ 561,676**	**$ 56,857**	**$ 664,557**

9. 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, 2018	**Three months ended March 31, 2017**
Director remuneration[1]	$ 41,250	$ 19,500
Officer remuneration[1]	$ 105,250	$ 180,362
Share-based payments	$ 1,352,477	$ 611,353

[1] Remuneration consists exclusively of salaries, bonuses, health benefits, if applicable, and consulting 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 three months ended March 31, 2018 and 2017.

Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities at March 31, 2018 is $275,725 (December 31, 2017 - $155,000) due to directors or officers or companies with common directors or officers in relation to key management compensation noted above.

(Unaudited - expressed in Canadian dollars)

10. FLOW-THROUGH SHARE PREMIUM LIABILITY

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

Balance at December 31, 2016	$	121,617
Creation of flow-through share premium liability on issuance of flow-through shares		2,185,885
Settlement of flow-through share premium liability pursuant to qualified expenditures		(1,501,951)
Balance at December 31, 2017		805,551
Creation of flow-through share premium liability on issuance of flow-through shares		422,357
Settlement of flow-through share premium liability pursuant to qualified expenditures		(184,778)
Balance at December 31, 2017	$	1,043,130

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.

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 March 31, 2018, the remaining commitment was $2,530,000 (December 31, 2017 - $3,292,972).

As a result of the issuances of flow-through shares on March 29, 2018, the Company had a commitment to incur $2,956,500 in qualifying CEE on or before December 31, 2019, none of which has been incurred yet.

11. PROVISION FOR CLOSURE AND RECLAMATION

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

		Blackdome		Snip		Total
Balance at September 15, 2016	$	430,301	$	-	:	430,301
Accretion		2,000		-		2,000
Balance at December 31, 2016		432,301		-		432,301
Acquisition of liability		-		649,244		649,244
Work performed		(36,440)		(2,000)		(38,440)
Revision of estimate		36,817		(5,142)		31,675
Accretion		9,476		7,142		16,618
Balance at December 31, 2017	$	442,154	$	649,244	$	1,091,398
Accretion		5,265		3,571		8,836
Revision of liability estimate		(5,265)		(3,571)		(8,836)
Balance at March 31, 2018	$	442,154	$	649,244	$	1,091,398

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. The estimate of the closure and reclamation obligation is subject to uncertainty in both timing and amount of expenditures that may be required.

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 Companies other properties.

12. CAPITAL STOCK AND RESERVES

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

Private placements

On June 13, 2017, the Company closed a private placement and issued (a) 8,132,923 Units on a non-flow-through basis at a price of $0.50 per Unit for gross proceeds of $4,066,462, and (b) 2,489,231 Units on a flow-through basis at a price of $0.65 per Unit for gross proceeds of $1,618,000, for aggregate gross proceeds of $5,684,462. The Company paid a total of $409,599 in share issuance costs, of which $62,962 was invested by finders in the private placement, resulting in the issuance of (c) 125,925 additional non-flow-through Units. Each Unit consisted of flow-through or non-flow-through common share of the Company, and one-half of one non-flow-through 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 $1.00 until June 13, 2020.

On October 3 and 17, 2017, Skeena closed a strategic investment private placement financing in two private-placement tranches of $3 million each, raising total gross proceeds of $6 million, and paying total finder's fees of $420,000. 4,166,668 units were issued under each tranche of the financing at $0.72 per unit, for a total of 8,333,336 units. Each unit consisted of one flow-through common share and one half of one non-flow-through share purchase warrant. Each whole warrant is exercisable for a period of 2 years at a price of $1.00.

On December 22, 2017, Skeena closed a strategic investment private placement financing, raising gross proceeds of $1 million. 1,250,000 flow-through shares were issued with no finder's fees or warrants attached.

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 NFT proceeds of C$5,506,164, and 4,223,571 FT Shares at a price of C$0.70 per FT Share for gross FT 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.

12. CAPITAL STOCK AND RESERVES (continued)

Property-option payments in shares

On April 28, 2017, the Company provided Barrick with notice of exercise of the Snip option, following which the Company issued to Barrick the final share payment of 125,000 shares (Note 7 - Snip Property) on July 19, 2017, and advanced funds to the province to provide security over the on-going costs of environmental monitoring at the site.

On November 7, 2017, in accordance with the 2015 Agreement for the Purchase of the GJ Property, the Company issued an aggregate of 2,884,059 common shares of the Company, with a total deemed value of $1.5 million, based on the Company's trailing 10-day volume-weighted-average trading price.

Escrow shares

Under the policies of the TSX Venture Exchange (the "Exchange"), an aggregate 9,901,845 common shares, 40,000 incentive stock options and 20,000 warrants to purchase common shares held by insiders of the Company were deposited with Computershare Investor Services Inc. as escrow agent to be released over a 36 month period. On May 9, 2016, the Company commenced trading as a Tier 1 issuer on the TSX-Venture Exchange. As a result, all of the shares remaining in escrow were released from escrow. Those shares subject to the pooling agreement were to be forwarded to the pooling agent.

The common shares held by Eilat Exploration Ltd. ("Eilat") and Keewatin Consultants (2002) Inc. ("Keewatin") were subject to a pooling agreement that included a voting trust over such shares, which was controlled by the Company's chairman. Throughout the pooling period, the Company retained a right-of-first-offer to find a purchaser, at the prevailing volume-weighted average price on the Exchange, with respect to sales of blocks of common shares having a value of more than $250,000. After many attempts, Eilat was successful in having the pooling agreement set aside by a court of law.

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 31, 2017, the Company granted 830,000 stock options to directors, officers, employees and consultants, exercisable at $1.00 per option until January 31, 2022. The options were valued using the Black-Scholes option pricing model and have a fair value of $672,083. 75,000 of the stock options are subject to vesting over one year with the balance vesting immediately.

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 have a fair value of $1,641,356.

(Unaudited - expressed in Canadian dollars)

12. CAPITAL STOCK AND RESERVES (continued)

Share-based payments (continued)

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:

	2018	2017
Expected life	5.0 yrs	5.0 yrs
Annualized volatility	171%	135%
Dividend rate	0.00%	0.00%
Fair value of a share at grant date	$0.77	$0.95
Risk-free interest rate	1.99%	1.11%

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, 2016	6,810,153	$ 1.10	4,527,944	$ 1.30
Expired	-	$ 1.00	(122,500)	$ 1.10
Issued/granted	9,540,706	$ 1.00	830,000	$ 1.00
Outstanding, December 31, 2017	16,350,859	$ 1.13	5,235,444	$ 1.25
Issued/granted	5,338,649	$ 0.87	2,250,000	$ 0.77
Outstanding, March 31, 2018	21,689,508	$ 1.06	7,485,444	$ 1.11
Number exercisable, December 31, 2017	21,689,508	$ 1.06	7,485,444	$ 1.11

The weighted average remaining contractual life of the stock options is 3.18 years (March 31, 2017 - 3.89 years).
The weighted average remaining contractual life of the warrants is 1.58 years (March 31, 2017 - 1.91 years).

As at March 31, 2018, 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
	807,500	$	1.00	January 31, 2022
	2,250,000	$	0.77	January 15, 2023
	77,944	$	11.74	Various – approx. 2.3 years left.
	7,485,444	$	1.00	
Warrants	411,018	$	0.80	June 29, 2018
	5,399,135	$	1.40	June 29 to July 22, 2019
	6,374,039	$	1.00	September 15, 2019, and June 13, 2020
	4,166,667	$	1.00	October 6 to 16th, 2020
	750,179	$	0.70	March 29, 2019
	4,588,470	$	0.90	March 29, 2020
	21,689,508	$	1.10	

13. 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, 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, 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 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.

14. SUBSEQUENT EVENTS

On May 2, 2018, the Company announced that it has entered into a non-binding letter of intent to sell Mount Rainey Silver to Strikepoint Gold Inc. ("Strikepoint") (Note 7).