SKEENA RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

Six months ended June 30, 2017 and 2016

MANAGEMENT DISCUSSION AND ANALYSIS

QUARTER ENDED JUNE 30, 2017

INTRODUCTION

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on August 28, 2017. The following discussion of performance, financial condition and future prospects should be read in conjunction with the unaudited quarterly condensed consolidated financial statements and the related notes thereto for the quarters ended June 30, 2017 and June 30, 2016, and in conjunction with the audited annual consolidated financial statements and the related notes thereto for the years ended December 31, 2016 and 2015. The information provided herein supplements but does not form part of the consolidated financial statements. This discussion covers the six months ended June 30, 2017 and the subsequent period up to August 28, 2017, the date of issue 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 Michael S. Cathro, MSc, P.Geo, the Company's vice-president of operations 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 the past-producing Prosperity-Porter Idaho-Silverado silver mine ("Porter Idaho"). Skeena also recently announced the results of a Preliminary Economic Assessment for the Spectrum-GJ copper-gold porphyry project ("Spectrum-GJ"), for which the Company holds a 100% interest in the Spectrum property 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.

PROPERTIES

Snip Gold Mine, Northwest British Columbia

On July 31, 2017, Skeena acquired a 100% interest in the Snip past-producing gold mine from Barrick Gold Inc. ("Barrick"). The property consists of one mining lease and four mineral tenures totaling approximately 1,932 hectares.

The Snip mine produced approximately 1.1 million ounces of gold from 1991 to 1999 at an average grade of 27.5 g/t. Skeena has now reviewed and modelled over 280,000 metres of historical drill data and completed an initial 7,200 metre surface drill program with encouraging results. A field-team has established an exploration camp at site, and work is underway to re-open the underground workings. Plans for 2017 include 15,000 metres of drilling from underground and surface in preparation with an initial resource estimate to be released in 2018.

Spectrum-GJ Project, Northwest British Columbia

The 43,410-hectare Spectrum-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 Mineral Resource update for Spectrum-GJ. The project has a 25-year mine life with a low initial capex of CAD $216 million, a base case pre-tax 8% NPV of CAD $546 million and a 27% IRR. Skeena is actively seeking a partner 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 covering the past-producing, underground Prosperity–Porter Idaho–Silverado property located beside 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 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 a historical Indicated Resource of 394,700 tonnes grading 868 g/t silver, 3.37% lead and 1.41% zinc (435,000 tons @ 25.2 oz/ton silver or a contained 11 million ounces silver) and a 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.

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 14,936,415 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; however the Company has recently received notice that the vendors have filed a notice of appeal.

RECENT PROGRESS

Financing

On June 13, 2017, Skeena closed a private placement, raising gross proceeds of approximately C$5.7 million. The Company issued (a) 81,329,235 Units on a non-flow-through basis at a price of C$0.05 per Unit for gross proceeds of C$4,066,462, and (b) 24,892,307 Units on a flow-through basis at a price of C$0.065 per Unit for gross proceeds of C$1,618,000, for aggregate gross proceeds of C$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) 1,259,246 additional non-flow-through Units. Each Unit consisted of one common share of the Company, on a non-flow-through and flow-through-basis, respectively, and one-half of one non-flow-through common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant" and, collectively, the "Warrants"). Each Warrant entitles the holder to purchase one common share of the Company at a price of C$0.10 until June 13, 2020.

Snip Gold Mine Progress, Northwest British Columbia

On March 6, 2017, Skeena provided an update on the Snip project and announced drill plans for the 2017 field season. Over 280,000 metres of historical surface and underground drill assays were reviewed and modelled along with the results from Skeena's 2016 drill program. A total of 15,000 metres of surface and underground drilling is planned, which should lead to an initial NI 43-101 Resource Estimate for release in 2018.

Underground drilling will focus on potential new production areas near existing underground development and also simultaneously target the numerous mineralized footwall structures that were not included in the historical Snip mineral resource. Drilling is intended to confirm gold mineralization left behind by the previous operator in the Twin Zone and footwall vein structures including; the 150 and 130 Veins, the 412 Zone and the 200 Footwall Zone.

Surface drilling will build on the drilling completed in 2016 and will focus on identifying potential extensions to the west and down plunge of the Twin Zone and newly identified parallel shear zones, including the Bronson Creek Structure, which has never been drilled. Subsequent to June 30th, 2017, on July 31, 2017, Skeena satisfied the terms of the option agreement and acquired a 100% interest in Snip from Barrick.

Spectrum-GJ Project Progress, Northwest British Columbia

Spectrum-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 Spectrum-GJ copper-gold project ("Spectrum-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 C$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 Spectrum-GJ project alone vastly exceeds Skeena's current market capitalization.

DISCUSSION OF OPERATIONS

The Company completed the quarter with working capital[1] of $4,107,591 (Dec 31, 2016 - $2,004,557). 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

2017	Blackdome	Porter Idaho	Spectrum	GJ	Snip	Total
Claim renewals and permits	$ 10,287	$ 3,024	$ 30	$ 100	$ 35,327	$ 48,768
Fieldwork & camp support	2,370	-	17,145	6,858	236,521	262,894
Assays and analysis/storage	-	179	16,198	5,335	3,478	25,190
Community relations	788	-	28,781	28,896	24,203	82,668
Environmental studies	12,129	-	23,077	34,735	15,794	85,735
Geology, geophysics, and geochemical	144,071	11,046	270,720	312,082	341,957	1,079,876
Metallurgy	-	-	74,658	74,658	-	149,316
Share based payments	-	-	27,666	27,666	27,666	82,998
Cost recovery	(4,187)	(352)	(11,311)	(12,103)	(16,906)	(44,859)
Total for the six months ended June 30, 2017	$ 165,458	$ 13,897	$ 446,964	$ 478,227	$668,040	$1,772,586

2016	Blackdome	Porter Idaho	Spectrum	GJ	Snip	Total
	$	$				
Claim renewals and permits	-	-	8,564	6,800	1,492	16,856
Fieldwork & camp support	-	-	381,363	139,203	1,915	522,481
Assays & analysis/storage	-	-	49,452	3,354	-	52,806
Community relations	-	-	30,387	24,134	21,134	75,655
Environmental studies	-	-	53,108	15,535	-	68,643
Geology, geophysics, and geochemical	-	-	313,920	112,141	101,494	527,555
Aviation fuels	-	-	15,514	5,171	-	20,685
Helicopter	-	-	112,366	41,519	-	153,885
Share based payments	-	-	173,319	63,025	26,260	262,604
	$	$				
Total for the six months ended June 30, 2016	-	-	$ 1,137,993	$ 410,882	$ 152,295	$1,701,170

[1] Working capital is a non-GAAP measure and is defined as current assets less current liabilities.

SUMMARY OF QUARTERLY RESULTS

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

Quarter ended		30-Jun-17		31-Mar-17		31-Dec-16		30-Sep-16
Revenue [1]		-		-		-		-
Loss for the quarter	$	[2] (1,617,460)	$	[3] (1,829,096)	$	[4] (1,882,666)	$	[5] (7,511,101)
Loss per share	$	(0.00)	$	(0.00)	$	(0.01)	$	(0.01)

Quarter ended		30-Jun-16		31-Mar-16		31-Dec-15		30-Sep-15
Revenue [1]		-		-		-		-
Loss for the quarter	$	[6] (3,366,506)	$	[7] (791,206)	$	[8] (1,157,994)	$	[9] (4,652,800)
Loss per share	$	(0.01)	$	(0.00)	$	(0.00)	$	(0.02)

(1) this being an exploration stage company, there are no revenues from operations;
(2) includes exploration expenditures of $956,803
(3) includes exploration expenditures of $815,783
(4) includes exploration expenditures of $1,562,486
(5) includes exploration expenditures of $5,986,029 and $1,084,909 in share-based payments expense
(6) includes exploration expenditures of $1,431,880 and $1,160,531 in share-based payments expense
(7) includes exploration expenditures of $269,290
(8) includes exploration expenditures of $1,362,391
(9) includes exploration expenditures of $4,713,343

Loss for the quarter ended June 30, 2017

Losses of $1,617,460 in the three months ended June 30, 2017 (“Q217”) were lower than the quarters ended September 30, 2016 and June 30, 2016, reflecting seasonal exploration activity. Skeena’s projects are most safely and efficiently explored during the summer. In 2017, exploration activity has been focused on the Snip project, which accelerated following the transfer of the properties to Skeena’s name in July 2017. Losses in the current quarter were lower than in the quarter ended June 30, 2016 (“Q216” - $3,366,506) primarily due to the virtual absence in Q217 of share-based payments expense, as compared with the $1,160,531 of share-based payments expense in Q216.

A flow-through share premium recovery of $261,170 in Q216 was $230,492 higher than in Q217, which moderated the decrease in net loss for Q217. In addition, the loss on loan conversion recognized in Q216 did not reoccur in Q217 and acted to decrease the net loss for Q217.

Loss for the six months ended June 30, 2017

Losses of $ 3,446,556 in the six months ended June 30, 2017 (“H117”) were lower than the six months ended June 30, 2016 (“H116”), for a variety of reasons. The decrease is primarily due to lower stock-based compensation expense (decrease of $554,508) due to the timing and amount of stock option grants in 2016 and 2017. In addition, the loss on loan conversion recognized in H216 did not reoccur in H217 and acted to further decrease the net loss for H217. Investor relations costs are also lower by $126,450 in H217 as compared with H216 due to a focus on performing more activities in-house in order to reduce costs. Offsetting the above, a flow-through share premium recovery of $323,314 in H216 was $201,696 higher than in H217, which moderated the decrease in net loss for Q217.

Cash flows for the six months ended June 30, 2017

The Company's operating activities consumed net cash of $2,767,463 (2016 – $2,074,150) during the six months ended June 30, 2017. Cash expenditures on operating activities were primarily directed to exploration expenditures of $1.8m, with the remainder spent on various support costs, including consulting, investor relations, professional fees, rent and office costs. Cash invested in investing activities increased to $206,048 in H117 from $1,973 in H116 due to required investments in reclamation activities at Blackdome, purchases of equipment for underground exploration at Snip, and deposits required by the government in relation to planned exploration activities. Cash generated from financing activities was $5,337,826 in H117, an increase over the $3,477,025 raised in private placements in H116 due to the size, timing and availability of capital. A private placement in 2016 spanned the June 30th, 2016 period end, and was closed in several tranches.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital[2] of $4,107,591 (December 31, 2016 - $2,004,557) as of June 30, 2017. The increase in cash and cash equivalents since the 2016 year-end reflects an increase in liquidity, as a result of the private placement financing closed on June 13, 2017 further described below. 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 on June 13, 2016. The Company issued an aggregate of 107,480,788 flow-through and non-flow-through common shares at $0.065 and $0.05 per share respectively for net proceeds of $5,337,826 after share issuance costs.

While funds were raised during the current fiscal year, management cautions that the Company's ability to raise additional 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, 2016, 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, 2017.

> *IAS 7 Statement of Cash Flows – Disclosure Initiative*
> The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The addition of these amendments has not had a material impact on the financial statements.

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

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, the company anticipates that this change will have no impact on the financial statements. This standard is effective for annual reporting periods beginning on or after January 1, 2017.
IFRS 9 Financial Instruments

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

Accounting standards issued and effective January 1, 2018

A finalized version of IFRS 9 *Financial Instruments*, which contains accounting requirements for financial instruments, replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements for classification and measurement of financial liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from IAS 39. The Company is in the process of determining the impact of IFRS 9 on its financial statements.

Accounting standards issued and effective January 1, 2019

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. This standard is effective for annual reporting periods beginning on or after January 1, 2019. The Company is in the process of determining the impact of IFRS 16 on its financial statements. 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, accounts payable and accrued liabilities and exploration advances. 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, 2016.

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:

	Six months ended June 30, 2017	Six months ended June 30, 2016
Director remuneration[1]	$ 39,900	$ 42,000
Officer remuneration[1]	$ 344,743	$ 310,254
Share-based payments	$ 611,353	$ 1,108,775

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

Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments granted to key management personnel during the quarters ended June 30, 2017 and 2016.

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 or service-provider relationship. Amounts are recorded at the exchange amount agreed between the parties. Remuneration were paid or are payable to Virginia Uranium Inc. for services of the Chief Executive Officer ($161,355), to Andrew MacRitchie ($75,000) for services of the Chief Financial Officer, to Forde Management & Associates Ltd. for services of the former Chief Financial Officer (nil in 2017), to Keewatin Consultants (2002) Inc. for services of Mr. Netolitzky ($30,000), to Mr. P. Tredger, director, ($9,000), to Cold Stream Exploration Ltd. for services of the Vice-President of Exploration ($27,375) and to Cathro Resources Corp. ($66,000) for services of the Vice-President of Operations. 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 June 30, 2017 and 2016.

Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities at June 30, 2017 is $172,907 (December 31, 2016 - $82,105) due to directors or officers or companies with common directors or officers. These amounts are owed in relation to key management and director compensation noted above.

Exploration advance

In 2016, the Company received an exploration advance of $1,500,000 from Eros. As further described in Note 6 of the audited annual consolidated financial statements, Eros earned a convertible 8.7% interest in the Spectrum property under this agreement, which was subsequently converted to 25,000,000 common shares of the Company, on April 21, 2016. The Company and Eros share two common directors and one officer.

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 reducing 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, 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.

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 June 30, 2017.

Common Shares:

Shares outstanding at June 30, 2017	643,358,495
Final share payment to Barrick to exercise the Snip option on July 19, 2017	1,250,000
Shares outstanding at June 30, 2017 and August 28, 2017	644,608,495

Stock Options:

Options outstanding at June 30, 2017 and August 28, 2017	53,579,438

Warrants:

Warrants outstanding at June 30, 2017 and August 28, 2017	121,841,922