

SKEENA RESOURCES LIMITED

(an exploration stage enterprise)

Condensed Consolidated Interim Financial Statements

Six months ended June 30, 2015 and 2014

(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 consolidated interim financial statements of Skeena Resources Limited (an exploration stage company) are the responsibility of the Company's management. The condensed consolidated interim 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 consolidated interim financial statements.

"Walter Coles, Jr."

Walter Coles, Jr.
CEO

"Karen A. Allan"

Karen A. Allan
Chief Financial Officer

Vancouver, British Columbia
August 26, 2015

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited - expressed in Canadian dollars)

	Note	June 30, 2015	December 31, 2014
ASSETS			
Current			
Cash		\$ 7,396,372	\$ 1,102,073
Receivables		47,405	67,281
Prepaid expenses		223,666	34,770
		7,667,443	1,204,124
Deposits		190,000	20,000
Exploration and evaluation interests	5	5,362,175	6,862,175
Equipment	6	9,982	4,893
		\$ 13,229,600	\$ 8,091,192
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	\$ 512,332	\$ 264,266
Flow-through share premium liability	9	662,505	219,360
		1,174,837	483,626
SHAREHOLDERS' EQUITY			
Capital stock	8	36,846,821	31,191,109
Reserves	8	4,476,381	4,425,536
Deficit		(29,268,439)	(28,009,079)
		12,054,763	7,607,566
		\$ 13,229,600	\$ 8,091,192

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

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - expressed in Canadian dollars)

	Note	For the three months ended June 30		For the six months ended June 30	
		2015	2014	2015	2014
ADMINISTRATIVE EXPENSES					
Exploration and evaluation	5	\$ 531,391	\$ 99,646	\$ 592,242	\$ 99,646
Share-based payments	8	2,762	-	50,845	-
Consulting	7	144,699	24,206	242,600	26,766
Investor relations		84,699	2,395	152,675	2,666
Professional fees		4,917	44,161	81,395	50,671
Travel		48,220	14,978	68,745	15,112
Transfer agent and listing fees		6,231	13,400	14,607	19,859
Office and administration		23,015	7,847	36,683	10,635
Rent and administration		14,563	4,227	22,584	6,587
Property research		7,830	-	7,830	-
Shareholder communications		21,186	463	21,967	4,757
Foreign exchange loss (gain)		1,620	-	3,810	-
Flow-through share premium recovery	9	(38,174)	-	(40,604)	-
Impairment of mineral property interests	5	-	686,784	-	686,784
Loss on disposition of equipment		2,913	4,995	2,913	4,995
Amortization		798	352	1,068	967
Net loss and comprehensive loss for the period		\$ (856,670)	\$ (903,454)	\$ (1,259,360)	\$ (929,445)
Loss per share		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding		201,428,020	25,551,762	172,758,259	25,551,762

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

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - expressed in Canadian dollars)

	Capital Stock		Options	Reserves		Deficit	Total Shareholders' Equity
	Shares	Amount		Warrants	Total Reserves		
Balance at December 31, 2013	25,551,762	\$ 21,574,497	\$ 2,310,023	\$ 1,323,215	\$ 3,633,238	\$ (24,885,319)	\$ 322,416
Loss for the six months	-	-	-	-	-	(929,445)	(929,445)
Balance at June 30, 2014	25,551,762	21,574,497	2,310,023	1,323,215	3,633,238	(25,814,764)	(607,029)
Balance at December 31, 2014	163,375,428	31,191,109	3,069,518	1,356,018	4,425,536	(28,009,079)	7,607,566
Share-based payments	-	-	50,845	-	50,845	-	50,845
Flow-through share premium	-	(483,750)	-	-	-	-	(483,750)
Private placements	99,216,666	6,598,000	-	-	-	-	6,598,000
Share issue costs	1,666,666	(458,538)	-	-	-	-	(458,538)
Loss for the six months	-	-	-	-	-	(1,259,360)	(1,259,360)
Balance at June 30, 2015	264,258,760	\$ 36,846,821	\$ 3,120,363	\$ 1,356,018	\$ 4,476,381	\$ (29,268,439)	\$ 12,054,763

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

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited - expressed in Canadian dollars)

	For the six months ended June 30	
	2015	2014
OPERATING ACTIVITIES		
Loss for the period	\$ (1,259,360)	\$ (929,445)
Items not effecting cash		
Amortization	1,068	967
Share-based payments	50,845	-
Flow-through recovery	(40,604)	-
Impairment of exploration and evaluation interests	-	686,784
Disposal of equipment	2,913	4,995
Changes in non-cash working capital		
Receivables	19,876	1,652
Prepaid expenses	(188,896)	3,231
Accounts payable and accrued liabilities	248,066	191,311
Commitment to issue shares	-	335,000
Net cash provided by (used in) operating activities	(1,166,092)	294,495
FINANCING ACTIVITIES		
Proceeds from share issuance	6,139,462	-
Net cash provided by financing activities	6,139,462	-
INVESTING ACTIVITIES		
Deposits	(170,000)	-
Purchase of equipment	(9,071)	-
Earn-in on exploration and evaluation interests	1,500,000	-
Net cash (used in) investing activities	1,320,929	-
Change in cash during the period	6,294,299	294,495
Cash, beginning of the period	1,102,073	24,690
Cash, end of the period	\$ 7,396,372	\$ 319,185

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

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2015 and 2014

(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 yet, achieved any commercial production.

The consolidated interim 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 incurred significant operating losses and negative cash flows from operations in the past. Recently, the Company was able to raise additional financing and has working capital of \$6,943,139 as at June 30, 2015 (2014 - \$720,498).

The Company continues to be 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.

	June 30, 2015	December 31, 2014
Working capital	\$ 6,943,139	\$ 720,498
Deficit	\$ (29,268,439)	\$ (28,009,079)

2. SIGNIFICANT ACCOUNTING POLICIES**Statement of Compliance**

These unaudited interim financial statements for the six months ended June 30, 2015 have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and are in accordance with International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These interim financial statements are presented in Canadian dollars and have been prepared using the accounting policies as set out in the audited annual financial statements for the year ended December 31, 2014. The disclosures which follow do not include all disclosures required for the annual financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements and notes for the year ended December 31, 2014.

The Board of Directors approved the statements on August 25, 2015.

SKEENA RESOURCES LIMITED

(an exploration stage enterprise)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2015 and 2014

(Unaudited - expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of measurement

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 during the reporting period. 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. The condensed consolidated interim financial statements have been prepared under the historical cost basis.

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 NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards are not yet effective and have not been applied in preparing these financial statements.

IFRS 9 Financial Instruments (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on January 1, 2018.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 *Financial Instruments: Presentation* to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- the meaning of "currently has a legally enforceable right of set-off"
- the application of simultaneous realization and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements.

Applicable to annual periods beginning on January 1, 2015.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited - expressed in Canadian dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as FVTPL; and accounts payable and accrued liabilities and loan payable, 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 June 30, 2015.

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 June 30, 2015, the Company is not exposed to significant market risk.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION INTERESTS***Spectrum Property, British Columbia, Canada***

On September 24, 2014, the Company acquired all of the issued common shares of Seeker Resources Corp. ("Seeker") for cash considerations of \$20,000 and US \$40,000. The primary asset acquired was a \$20,000 reclamation bond held with the British Columbia Ministry of Energy, Mines and Petroleum Resources for the Spectrum gold and copper exploration property in northwest British Columbia ("Spectrum Property"). The bond allowed the Company to commence its drilling program on the Spectrum Property. The Company recognized the \$20,000 as a deposit and expensed the US \$40,000 as an exploration and evaluation expenditure. The acquisition has been assessed in accordance with IFRS 3 *Business Combinations*. The acquisition of Seeker does not fulfil the requirements to be accounted for as a business combination; therefore, the acquisition will be accounted for as an asset acquisition.

On October 27, 2014, the Company acquired a 100% interest in the Spectrum Property in exchange for 80,000,000 common shares valued at \$6,000,000, of which 64,000,000 common shares were issued to Eilat Exploration Ltd. ("Eilat") and 16,000,000 common shares were issued to Keewatin Consultants (2002) Inc. ("Keewatin"), a private company held by a director, together with an interest-free promissory note payable to Eilat in the amount of \$700,000. In connection with the closing of the acquisition, Eilat assigned the promissory note to Keewatin in satisfaction of certain outstanding debt between the parties. The promissory note, along with \$342,000 in additional debt outstanding with the Company to Keewatin (note 7), was converted to common shares of the Company pursuant to a debt settlement agreement between the Company and Keewatin, resulting in the issuance of 9,333,333 common shares for the promissory note and 4,560,000 common shares for the debt settlement to Keewatin at a share price of \$0.075 per share. The total acquisition cost for the Spectrum Property amounted to \$6,862,175, which includes capitalized legal fees of \$162,175.

In conjunction with a financing in the spring of 2015, the Company received \$1,500,000 from Eros Resources Corp., to earn an 8.7% interest in the Spectrum property. The funds are exclusively for exploration activities that qualify as eligible Canadian Exploration Expenditures ("CEE"). A joint venture agreement is under negotiation. The earned-in interest may be converted to 25,000,000 common shares of the Company, subject to regulatory approval.

Tropico Property, Mexico

In September 2010, the Company acquired a 100% interest in, and clear title to, the Tropico property, in consideration for 800,000 common shares of the Company, valued at \$400,000, and five-year warrants, which can be exercised to acquire an additional 800,000 common shares, from Anthem Resources Incorporated, Almaden Minerals Corp. and Minera Cascabel S.A. de C.V, superseding all previous agreements. The total acquisition costs for the Tropico property amounted to \$686,784. Mining concession fees due January 31, 2014 and July 31, 2014 remain outstanding and are estimated to be \$100,000 with penalties and interest. In addition, mining concession fees due January 31, 2015 remain outstanding. The Company recognized an impairment loss of \$686,784 against the Tropico mineral properties during the year ended December 31, 2014, which has written down the property to \$nil. In addition, field equipment was written off.

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2015 and 2014

(Unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION INTERESTS (Continued)

Exploration and evaluation interests, December 31, 2013	\$	-
Issue shares for Spectrum property net of legal costs		6,862,175
Exploration and evaluation interests, December 31, 2014		6,862,175
Eros Resources Corp. earn-in		(1,500,000)
Exploration and evaluation interests, June 30, 2015	\$	5,362,175

Exploration and evaluation expenses

Six months ended June 30, 2015	Spectrum		Tropico		Total
Claim renewals and permits	\$	51,110	\$	8,883	\$ 59,993
Fieldwork, camp support and local office		289,953		4,400	294,353
Assays & analysis/storage		40,024		-	40,024
Community relations		4,422		-	4,422
Drilling		11,715		-	11,715
Environmental studies		8,854		-	8,854
Exploration and sampling		12,206		-	12,206
Geology/geophysics/geochemical		143,663		-	143,663
Maps and reports		17,012		-	17,012
	\$	578,959	\$	13,283	\$ 592,242

There was \$99,646 in exploration and evaluation expenses for the six months ending June 30, 2014.

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2015 and 2014

(Unaudited - expressed in Canadian dollars)

6. EQUIPMENT

Cost	Computer Equipment	Field Equipment	Vehicle	Office Equipment	Total
Balance, December 31, 2013	\$ 12,229	\$ 20,940	\$ 21,381	\$ 5,945	\$ 60,495
Disposals	-	(902)	(21,381)	-	(22,283)
Balance, December 31, 2014	12,229	20,038	-	5,945	38,212
Additions	9,071	-	-	-	9,071
Disposals	-	(20,038)	-	-	(20,038)
Balance, June 30, 2015	\$ 21,300	\$ -	\$ -	\$ 5,945	\$ 27,245
Accumulated Amortization					
Balance, December 31, 2013	\$ 10,741	\$ 16,894	\$ 16,336	\$ 4,965	\$ 48,936
Additions	446	777	252	196	1671
Disposals	-	(700)	(16,588)	-	(17,288)
Balance, December 31, 2014	11,187	16,971	-	5,161	33,319
Additions	837	-	-	78	915
Disposals	-	(16,971)	-	-	(16,971)
Balance, June 30, 2015	\$ 12,024	\$ -	\$ -	\$ 5,239	\$ 17,263
Carrying Value					
Balance, December 31, 2014	\$ 1,042	\$ 3,067	\$ -	\$ 784	\$ 4,893
Balance, June 30, 2015	\$ 9,276	\$ -	\$ -	\$ 706	\$ 9,982

7. 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 six months ended June 30, 2015 and 2014 is as follows:

	2015	2014
Short-term benefits ¹	\$ 242,600	\$ 26,766
Share-based payments	\$ 43,918	\$ -

Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments granted to key management personnel during the six months ended June 30, 2015 and 2014.

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

Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities at June 30, 2015 is \$95,809 (December 31, 2014 - \$37,055) due to directors or officers or companies with common directors or officers.

SKEENA RESOURCES LIMITED

(an exploration stage enterprise)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2015 and 2014

(Unaudited - expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS (Continued)*Loans*

During the year ended December 31, 2013, the Company obtained a loan from Keewatin for \$142,000. The loan was non-interest-bearing and due on demand and was in addition to the loan arranged during the year ended December 31, 2012, totalling \$200,000 from Keewatin, secured by a non-interest-bearing promissory note for consideration of 500,000 shares for a loan fee fair valued at \$35,000.

On October 27, 2014, pursuant to the Spectrum property acquisition, the total loan of \$342,000 was settled by issuing 4,560,000 common shares (Note 5).

Property acquisition

On October 27, 2014, pursuant to the Spectrum property acquisition, Keewatin was issued 25,333,333 common shares for its 20% interest in the Spectrum property together with a promissory note for \$700,000 owed by Eilat (Note 5).

8. CAPITAL STOCK AND RESERVES

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

Private placements

On October 27, 2014, the Company issued an aggregate 40,397,000 units for proceeds of \$2,550,295, each unit consisting of 25,295,000 flow-through units at a price of \$0.065 per unit, consisting of one flow-through common share and one share purchase warrant; and 15,102,000 units at a price of \$0.06 per unit, consisting of one non-flow-through common share and one share purchase warrant, with each whole warrant exercisable to acquire one non-flow-through share at \$0.10 until October 27, 2016. The Company paid a total of \$118,968 in share issuance costs. In relation to the financing, 1,218,268 broker warrants were issued with a fair value of \$32,803, exercisable at \$0.10 per unit for one year.

On December 29, 2014, the Company issued 3,533,333 flow-through common shares for proceeds of \$530,000. The Company paid a total of \$50,770 in share issuance costs.

In two tranches, on May 15 and June 2, 2015, the Company issued an aggregate 99,216,666 for proceeds of \$6,598,000 consisting of 32,250,000 flow-through shares at a price of \$0.08 per share and 66,966,666 non-flow-through shares at a price of \$0.06 per share. The Company paid a total of \$458,538 in share issuance costs. In relation to the financing, 1,666,666 shares were issued with a fair value of \$100,000.

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.

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2015 and 2014

(Unaudited - expressed in Canadian dollars)

8. CAPITAL STOCK AND RESERVES (Continued)*Share-based payments*

On November 6, 2014 the Company granted 13,900,000 stock options to directors, officers and consultants, exercisable at \$0.10 per option until November 6, 2019. The options were valued using the Black-Scholes option pricing model and have a fair value of \$759,495. On January 29, 2015 the Company granted 600,000 stock options to an officer, exercisable at \$0.10 per option until January 29, 2020. The options were valued using the Black-Scholes option pricing model and have a fair value of \$43,918.

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.

	2015	2014
Risk-free interest rate		
Expected life	0.7%	1.56%
Annualized volatility	119.84%	119.84%
Dividend rate	0.00%	0.00%
Fair value at grant date	\$0.07	\$0.07
Risk-free interest rate	-	-

Escrow shares

Under the policies of the TSX Venture Exchange (the "Exchange"), an aggregate of 99,018,452 common shares, 400,000 incentive stock options and 200,000 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; 10% were released October 27, 2014 and 15% released April 27, 2015. The common shares held by Eilat and Keewatin are further subject to a pooling agreement that includes a voting trust over such shares, which will be controlled by the Company's chairman. Throughout the pooling period, the Company retains 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. The number of escrow common shares as at June 30, 2015 is 71,711,865.

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

	Warrants		Stock Options	
	Number	Weighted Average Exercise	Number	Weighted Average Exercise
Outstanding, December 31, 2013	800,000	\$ 2.50	1,205,000	\$ 0.51
Expired/cancelled	-	-	(480,000)	\$ (0.50)
Issued/granted	41,615,268	\$ 0.10	13,900,000	\$ 0.10
Outstanding, December 31, 2014	42,415,268	\$ 0.15	14,625,000	\$ 0.12
Expired/cancelled	-	-	(50,000)	\$ (0.75)
Issued/granted	-	-	800,000	\$ 0.10
Outstanding, June 30, 2015	42,415,268	\$ 0.15	15,375,000	\$ 0.12
Number exercisable, June 30, 2015	42,415,268	\$ 0.15	15,075,000	\$ 0.12

The weighted average remaining contractual life of the stock options is 3.25 years.

SKEENA RESOURCES LIMITED*(an exploration stage enterprise)***NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended June 30, 2015 and 2014

(Unaudited - expressed in Canadian dollars)

8. CAPITAL STOCK AND RESERVES (Continued)

As at June 30, 2015, incentive stock options and share purchase warrants were outstanding as follows:

	Number	Exercise Price	Expiry Date
Options	675,000	\$ 0.50	September 22, 2015
	13,900,000	\$ 0.10	November 6, 2019
	600,000	\$ 0.10	January 29, 2020
	200,000	\$ 0.10	May 11, 2020
	15,375,000	\$ 0.12	
Warrants	800,000	\$ 2.50	September 1, 2015
	40,397,000	\$ 0.10	October 27, 2016
	1,218,268	\$ 0.10	October 27, 2015 ¹
	42,415,268	\$ 0.15	

¹ In the event that the Company's common shares trade for a period of 20 consecutive days at a volume-weighted average price of \$0.15 per share or greater, the Company may elect to accelerate the expiry date of the warrants to a date that is 60 days from the date that notice is provided to the warrant holders.

9. FLOW-THROUGH SHARE PREMIUM LIABILITY

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

Balance at December 31, 2013	\$	-
Flow-through share premium liability		303,142
Settlement of flow-through share premium liability pursuant to qualified expenditures		(83,782)
Balance at December 31, 2014		219,360
Settlement of flow-through share premium liability pursuant to qualified expenditures		(40,604)
Flow-through share premium liability		483,750
Balance at June 30, 2015	\$	662,506

As a result of the issuances of flow-through shares on October 27, 2014 and December 17, 2014, the Company has a commitment to incur \$2,174,175 in qualifying Canadian exploration expenditures on or before December 31, 2015. As of June 30, 2015, the remaining commitment is \$557,154 (December 31, 2014 - \$1,106,453).

As a result of the issuances of flow-through shares on June 2, 2015, the Company has a commitment to incur \$2,580,000 in qualifying Canadian exploration expenditures on or before December 31, 2016.

Pursuant to an earn-in of 8.7% in the Spectrum property for \$1,500,000 from Eros, the Company is committed to use the funds exclusively for eligible exploration activities that qualify as CEE.

SKEENA RESOURCES LIMITED

(an exploration stage enterprise)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2015 and 2014

(Unaudited - expressed in Canadian dollars)

10. CAPITAL RISK MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital as shareholders' equity. The Company is not exposed to any capital requirements.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's capital risk management approach.