SKEENA RESOURCES LIMITED

(an exploration stage enterprise)

Consolidated Financial Statements

Three months ended March 31, 2013 and 2012

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 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 accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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

	March 31 2013	December 31 2012
ASSETS		
Current		
Cash	$ 21,263	$ 32,216
Marketable securities (Note 4)	413	413
Receivables	6,857	8,404
Prepaid expenses	6,740	8,352
	35,273	49,385
Mineral property interests (Note 5)	686,784	686,784
Equipment (Note 6)	13,926	14,715
	$ 735,983	$ 750,884
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7(c))	$ 42,325	$ 37,105
Loan (Note 7(d))	200,000	200,000
	242,325	237,105
SHAREHOLDERS' EQUITY		
Capital stock (Note 8)	21,574,497	21,574,497
Reserves (Note 8)	3,633,238	3,633,238
Deficit	(24,714,077)	(24,693,956)
	493,658	513,779
	$ 735,983	$ 750,884

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)

		For the three months ended March 31		
		2013		**2012**
ADMINISTRATIVE EXPENSES				
Exploration and evaluation expenditures (Note 5)	$	5,328	$	20,767
Amortization		789		1,015
Consulting (Note 7(a))		2,438		2,775
Investor relations		-		1,750
Office and administration (Note 7(b))		3,075		5,735
Professional fees		-		14,882
Interest income		(41)		(66)
Rent and administration		2,293		2,608
Shareholder communications		149		220
Transfer agent and listing fees		6,090		6,207
Travel		-		266
Net loss	$	20,121	$	56,159
Loss per share	$	(0.00)	$	(0.00)
Weighted average number of common shares outstanding		25,551,762		25,051,790

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

SKEENA RESOURCES LIMITED
(an exploration stage enterprise)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited - expressed in Canadian dollars)

	Capital Stock			Reserves			Total Shareholders' Equity
	Shares (Note 1)	Amount	Deficit	Options	Warrants	Total Reserves	
Balance at December 31, 2011	25,051,790	$ 21,543,335	$ (24,457,453)	$ 2,310,023	$ 1,323,215	$ 3,633,238	$ 719,120
Loss for the three months	-	-	(56,159)	-	-	-	(56,158)
Balance at March 31, 2012	25,051,790	21,543,335	(24,513,611)	2,310,023	1,323,215	3,633,238	662,962
Balance at December 31, 2012	25,551,762	21,574,497	(24,693,956)	2,310,023	1,323,215	3,633,238	513,779
Loss for the three months	-	-	(20,121)	-	-	-	(20,121)
Balance at March 31, 2013	25,551,762	$ 21,574,497	$ (24,714,077)	$ 2,310,023	$ 1,323,215	$ 3,633,238	$ 493,658

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

SKEENA RESOURCES LIMITED
(an exploration stage enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS for the years ended December 31
(unaudited - expressed in Canadian dollars)

		2013		2012
OPERATING ACTIVITIES				
Loss for the period	**$**	**(20,121)**	$	(56,159)
Items not effecting cash				
Amortization		**789**		1,015
Changes in non-cash working capital				
Receivables		**1,547**		(10,599)
Prepaid expenses		**1,612**		1,621
Accounts payable and accrued liabilities		**5,220**		22,046
Net cash used in operating activities		**(10,953)**		(42,076)
Change in cash during the period		**(10,953)**		(42,076)
Cash, beginning of the period		**32,216**		55,310
Cash, end of the period	**$**	**21,263**	$	13,234

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

(unaudited - expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

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 611, 675 West Hastings Street, Vancouver, British Columbia V6B 1N2. The Company is in the exploration stage with respect to its mineral property interests and has not, as yet, achieved any commercial production.

On June 1, 2012, the Company consolidated its capital stock on a 5:1 basis. All share and per share amounts have been adjusted retroactively to reflect the share consolidation unless otherwise noted.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. The Company has incurred significant operating losses over the past several years and does not have a current source of revenue or sufficient financial resources to sustain operations in the long term.

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.

While the Company has been successful in obtaining its required financing in the past, through additional equity and non-arm's length loans, there is no assurance that such financing will be available on favourable terms. An inability to raise additional financing will adversely impact the future assessment of the Company as a going concern. 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 2013		December 31 2012
Working capital (deficiency)	$	**(207,052)**	$	(187,720)
Deficit	$	**(24,714,077)**	$	(24,693,956)

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited interim financial statements for the three months ended March 31, 2013 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, 2012. 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, 2012.

The Board of Directors has approved and authorized the issuance of these condensed consolidated interim financial statements on May 28, 2013.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

CHANGE IN ACCOUNTING POLICY

During the prior year, the Company changed its accounting policy for mineral property interests costs. Previously, the Company capitalized exploration and evaluation expenditures directly related to specific mineral properties, net of recoveries received. Under the new policy, exploration and evaluation costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. Expenditures incurred subsequent to a development decision are capitalized and will be amortized on the unit of production method based upon estimated proven and probable reserves. Management believes that this treatment provides a more accurate depiction of the asset base of the Company prior to establishing the economic feasibility of its resource base.

New accounting pronouncements

A number of new accounting pronouncements including IFRS 9 Financial Instruments have been issued. None of these currently have any material impact to these financial statements

3. 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; marketable securities, as AFS; receivables, as loans and receivables; and accounts payable and accrued liabilities and loan, as other financial liabilities. The carrying values of these instruments approximate their fair value due to their short term to maturity.

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

(unaudited - expressed in Canadian dollars)

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 and receivables are 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.

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.

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 risks consist of interest rate risk, foreign currency risk and other price risk. As at December 31, 2012, the Company is not exposed to significant market risk.

4. MARKETABLE SECURITIES

The Company holds the following publicly-traded marketable securities:

	March 31, 2013		December 31, 2012	
	Number of Common Shares	Value	Number of Common Shares	Value
Duncastle Gold Corp.	8,250	$ 413	8,250	$ 413

Management assesses the carrying value of its marketable securities classified as AFS at each reporting date and any change in fair value is recognized in recognized in profit or loss.

5. MINERAL PROPERTY INTERESTS

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 (issued), valued at $400,000 and five-year warrants (issued), 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 totalled $686,784. As of March 31, 2013, there are mining concessions fees owed and these are being remedied in the next quarter.

(unaudited - expressed in Canadian dollars)

5. MINERAL PROPERTY INTERESTS (continued)

Exploration and Evaluation Expenses:

Option payments, claim renewals	$	53,172
Analysis		35,713
Geology/geophysics/geochemical		238
Field and camp support		2,362
Total Exploration and Evaluation Expenses during 2012	$	91,485
Analysis		4,362
Total exploration and evaluation expenses during 2013	$	4,362

6. EQUIPMENT

Cost	Computer Equipment	Field Equipment	Vehicle	Office Equipment	Total
Balance, December 31, 2012	$ 12,229	$ 20,940	$ 21,381	$ 5,945	$ 60,495
Additions	-	-	-	-	-
Balance, March 31, 2013	$ 12,229	$ 20,940	$ 21,381	$ 5,945	$ 60,495
Accumulated Amortization					
Balance, December 31, 2012	$ 10,103	$ 15,882	$ 15,075	$ 4,720	$ 45,780
Additions	160	253	315	61	789
Balance, March 31, 2013	$ 10,263	$ 16,135	$ 15,390	$ 4,781	$ 46,569
Carrying Value					
Balance, December 31, 2012	$ 2,126	$ 5,058	$ 6,306	$ 1,225	$ 14,715
Balance, March 31, 2013	**$ 1,966**	**$ 4,805**	**$ 5,991**	**$ 1,164**	**$ 13,926**

(unaudited - expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the consolidated financial statements:

(a) The Company paid or accrued consulting fees of $2,438 (2012 - $2,775) to companies controlled by directors or officers.

(b) The Company paid or accrued office and administration fees on a cost recovery basis of $3,269 (2012 - $5,735) to a private company with a common director.

(c) Included in accounts payable is $10,221 (2012 - $22,998) due to directors or officers or companies with common directors or officers.

(d) During the previous year, the Company arranged a loan totalling $200,000 from a private company held by a director of the Company. The loan is secured by a non-interest-bearing promissory note for consideration of 500,000 shares for a loan fee fair valued at $35,000.

8. CAPITAL STOCK AND RESERVES

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

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.

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, 2011	4,003,144	$	0.93	1,735,000	$	0.85
Expired/cancelled	(3,203,144)	$	(0.92)	(280,000)	$	(1.93)
Outstanding, December 31, 2012	800,000	$	2.50	1,455,000	$	0.65
Outstanding, March 31, 2013	800,000	$	2.50	1,455,000	$	0.65
Number currently exercisable	800,000	$	2.50	1,455,000	$	0.65

(unaudited - expressed in Canadian dollars)

10. CAPITAL STOCK AND RESERVES (Continued)

Stock options and warrants (Continued)

As at December 31, 2012, incentive stock options and share purchase warrants were outstanding as follows:

	Number		Exercise Price	Expiry Date
Options	240,000	$	1.50	June 26, 2013
	360,000	$	0.50	May 14, 2014
	50,000	$	0.75	January 11, 2015
	805,000	$	0.50	September 22, 2015
	1,455,000			
Warrants	800,000	$	2.50	September 1, 2015 [(1)]

(1) 5 year warrants that were exercisable for $1.00 until September 1, 2012 and $2.50 until September 1, 2015.

9. 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 were no changes to the Company's capital risk management approach in the period.

10. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition of mineral properties. Geographic information is as follows:

		2013		December 31, 2012
Mineral Property Interest and Equipment:				
Canada	**$**	**3,131**	$	8,144
Mexico		**697,579**		693,355
	$	**700,710**	$	701,499