SKEENA RESOURCES LIMITED
Management Discussion and Analysis
September 30, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

3RD QUARTER ENDED SEPTEMBER 30, 2014

*This Management Discussion and Analysis ("MD&A") is intended to supplement Skeena Resources Limited's (the "Company" or "Skeena") condensed consolidated interim financial statements and related notes for the nine months ended September 30, 2014. This report is as at **November 26, 2014**.*

All monetary amounts are in Canadian dollars unless otherwise specified.

The above referenced consolidated financial statements and the Company's other public filings can be found on SEDAR at (www.sedar.com).

INTRODUCTION

The MD&A has been prepared by management and reviewed and approved by the Board of Directors on November 26, 2014. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited consolidated financial statements and the corresponding annual MD&A for the years ended December 31, 2013 and December 31, 2012. The information provided herein supplements but does not form part of the consolidated financial statements for the nine months ended September 30, 2014. This discussion covers the three months ended September 30, 2014 and the subsequent period up to the date of issue of this MD&A. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company's priorities, plans and strategies and the Company's anticipated financial and operating performance and prospects. 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.

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 Company's ability to complete the acquisition of the Spectrum property or obtain shareholder approval or TSXV acceptance of the transaction; the ability to obtain work permits; changes in priorities, plans, strategies and prospects; general *economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; and various other events, conditions or circumstances that could disrupt Skeena's priorities, plans, strategies and prospects.*

Shareholders are cautioned that all forward-looking statements and information involve risks and uncertainties, including those risks and uncertainties set out above and as detailed in Skeena's continuous disclosure and other filings with applicable Canadian securities regulatory authorities, copies of which are available on SEDAR at www.sedar.com. The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events

THE COMPANY

Skeena Resources Limited ("the Company") is a mineral exploration stage corporation that owns a 100% interest in the Tropico copper-platinum-palladium-gold project in Sinaloa State, Mexico and now a 100% interest in Spectrum, a gold and copper property located in northwest BC.

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

DEVELOPMENTS IN THE QUARTER

SPECTRUM PROPERTY TRANSACTION

On October 27, 2014, pursuant to a shareholder vote on September 30, 2014, the Company completed the acquisition of a 100% interest in the Spectrum gold and copper exploration property in northwest British Columbia in exchange for 80,000,000 common shares at a deemed issue price of $0.06 per common share, 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"), 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 as between the parties. The promissory note, along with $342,000 in additional debt outstanding with the Company to Keewatin, was converted to common shares of the Company at a deemed issue price of $0.075 per common share pursuant to a debt settlement agreement between the Company and Keewatin, resulting in the issuance of an additional aggregate 13,893,333 common shares to Keewatin. The 64,000,000 common shares acquired by Eilat and the 29,893,333 common shares acquired by Keewatin are equal to 40.0% and 18.7%, respectively, of the issued and outstanding common shares of the Company.

Under the policies of the Exchange, an aggregate of 99,002,452 common shares, 400,000 incentive stock options and 200,000 warrants to purchase common shares held by insiders of the Company have been deposited with Computershare Investor Services Inc. as escrow agent and will be released over a 36 month period. 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 Skeena's chairman, Ron Netolitzky. Throughout the pooling period, Skeena 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.

In conjunction with the acquisition transaction of the Spectrum property, the Company closed a private placement, raising aggregate gross proceeds of $2,550,295 through the issuance of an aggregate of 40,397,000 units consisting of (i) 25,295,000 units at a price of $0.065 per unit, consisting of one flow-through common share and one non-flow through warrant; (ii) and 15,102,000 units at a price of $0.06 per unit, consisting of one non-flow-through common share and one warrant. Each warrant is exercisable to purchase one common share at a purchase price of $0.10 per common share for a period of two years from the date of issuance. 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.

A finder's fee consisting of $77,372 and 1,218,268 broker warrants, exercisable for a period of 12 months at a price of $0.10 per common share, was paid on a portion of the financing. The majority of the financing is expected to be applied to Spectrum, a small portion to Tropico, and the remainder to general working capital.

As a result of the transactions, the Company has an aggregate of 159,842,095 common shares issued and outstanding. In accordance with TSX Venture Exchange regulations and the Company's approved stock option plan allowing for up to 10% of the outstanding issued shares available for options to directors, officers and consultants, the Company granted 14,950,000 incentive stock options to directors, officers and consultants exercisable at $0.07 for 5 years.

EXPLORATION AND EVALUATION ASSETS

Spectrum Gold-Copper Prospect, Northwest British Columbia

The 3,580 hectare Spectrum property is situated approximately 37 km west of Imperial Metals' Red Chris mine and 16 km west-northwest of the NGEx/Teck GJ deposit. Skeena's interest in Spectrum will remain subject to a pre-existing 1.75% net smelter return royalty payable to Pacific Ridge Exploration (formerly Columbia Gold Mines) and other parties.

The property contains more than 10 different occurences of high-grade sulphide-gold mineralization, spatially associated with steeply-dipping fracture zones contained within a broad area of propyllitic and potassic-altered Stuhini Group intermediate volcanics and volcaniclastic rocks at the contact zone of a sill-like monzonite intrusion of Jurassic age. This is the same type of geological setting as many of the major copper-gold deposits in the Golden Triangle area of northwest British Columbia.

In 2013, Keewatin acquired a 15% interest in the Spectrum Project and a further 5% interest in February 2014 for total cash consideration of $1.2 million.

A current 43-101 compliant technical report by Mr. Jacques Stacy, M.Sc., P.Geol of Taiga Consultants Ltd., dated August 5, 2014 and entitled "Evaluation and Technical Report on the Spectrum Gold Property, Liard Mining Division, BC" is available on the Company website and on SEDAR at www.sedar.com.

<u>Exploration program</u>

In late September, the British Columbia Mines Branch finalized an outstanding Notice of Work for the Spectrum Gold Project, thereby granting the Company permission to undertake a helicopter-supported due diligence field program.

Diamond drilling, geological mapping and prospecting, limited in-fill soil geochemical sampling, detailed GPS surveying, and re-sampling of on-site historic drill core was completed under the direction of Jacques Stacey, M.Sc., P.Geol. of Taiga Consultants Ltd. During the month of October, nine NQ diameter diamond drill holes were completed from 4 separate drill platforms for a cumulative total of 1,940 metres. 1,088 core samples were obtained from the program as well as a further 250 samples of split-core from the available historic material.
As a consequence of the late seasonal start, the program was limited to confirmation drilling in the Central Zone, to verification sampling of historic core, and to investigation of those physical aspects of project planning for next season that require permitting lead time. The drill targeting was primarily based on investigating the downward continuity of the Central Zone with intercepts generally at 30 to 50 metres below prior intersections of interest along a strike length of approximately 500 metres.

Samples will be dried, crushed, pulverized and split in a sample preparation facility in Smithers, BC, and analyzed in an AcmeLabs laboratory (a division of Bureau Veritas) in Vancouver. Collated and interpreted results, presented on plan and cross-sections (which will be available on the Company web-site) are anticipated in December.

The Company's Qualified Person for supervision of the project is Rupert Allan, P.Geol., Vice-President, Exploration.

Tropico Copper-Platinum-Palladium-Gold Project, Sinaloa State, Mexico

In 2010 the Company acquired the remaining minority interests in the previously optioned 27,329 hectare Tropico copper-platinum-palladium-gold Project in Sinaloa State, Mexico in order to own the property 100%. The property is exceptionally well located with respect to readily available infrastructure, being crossed by two paved highways, two major power lines, within 10 km of the north-south coastal rail line, and 25 km north of the deep water port of Mazatlan (20 km north of the city limits). A new, natural gas pipeline, which will cross the western end of the property on the west side of the highway, is currently being constructed from Sonora State to the thermal electric plant at Mazatlan (to replace burning fuel oil).

<u>Geologic Setting & History</u>

The property covers a steeply NNW dipping, ENE striking (ie, at a right angle to the regional trend of the Sierra Madre Occidental to the east), 19 km long by 1 to 3 km wide, Late Jurassic to Early Cretaceous classic, layered mafic/ultramafic igneous complex that intrudes Paleozoic schists (meta-sediments). The complex is cored by pyroxenite, or mixed pyroxenite-gabbro, which in turn is commonly enclosed by gabbro. It is intruded by Late Cretaceous to Early Tertiary diorite, which is locally cut by quartz diorite to granodiorite (possibly part of the Sinaloa Batholith). Late stage Oligocene volcanics overlie much of the Complex (particularly the southern contact).

The primary exploration targets are large tonnage, open pitable, low-grade zones of disseminated copper sulphide mineralization with associated platinum, palladium and gold values. To date, known occurrences are preferentially deposited proximal to gabbro-pyroxenite contacts in stratigraphically controlled zones where there is a change from predominantly plagioclase cumulate to pyroxene cumulate (both at the hangingwall and footwall contacts of the pyroxenite or mixed pyroxenite-gabbro core). There is some potential for massive, high-grade, copper-nickel-platinum-palladium-gold occurrences in "feeder-pipe" zones or along major faults or within fold structures.

To date, nine sulphide occurrences have been identified at Tropico, consisting of variable, sparse amounts of chalcopyrite, cubanite, bornite, pyrrhotite, pyrite and minor pentlandite. This is a sulphide-deficient system –

generally with less than 2 to 3% total sulphides. Some of the better mineralized trenches at the Maricela Occurrence were reported to assay 0.50 to 1.00 % copper and up to 1 gram/tonne ("g/t") combined platinum + palladium + gold (generally with platinum to palladium ratio in the order of 0.75:1) over widths of 15 to 160 metres. Some 39 drill holes totaling approximately 6,550 metres are reported in the JV summary report. The best reported drill intercepts were 0.5% Cu and 0.75 g/t Pt+Pd+Au over 38.9 metres (hole M-02-08) and 0.39 % Cu and 0.55 g/t Pt+Pd+Au over 128.1 metres (hole M-01-03) at Maricela; and 0.47% Cu and 0.45 g/t Pt+Pd+Au over 59.0 metres and 0.82 % Cu and 0.70 g/t Pt+Pd+Au over 15.5 metres at San Pablo (hole SP-02-01).

Exploration

During the spring and summer of 2011, a 4,900 metre (21 holes – NQ core) diamond drill program was undertaken. This work was focused on the apparently geochemically and geophysically continuous, 5,000-metre-long Maricela - San Pablo Zone, which had previously been explored by 22 trenches and 24 drill holes, and the 1,500-metre-long El Pochote zone, which was investigated by four trenches and two drill holes. These two zones characteristically occur along a low ridge crest with sparse overburden and tree cover in an area bounded by agricultural fields. The historic Maricela-San Pablo Zone drilling was not particularly definitive -- two holes were vertical with no platinum group metal assays having been undertaken; one vertical hole was outside the zone; six angle holes were outside of the zone; one reverse circulation hole was drilled at right angles to the zone; seven holes were apparently drilled down dip; and only six holes appear to have been successfully drilled at the proper orientation. The El Pochote zone was even less well explored.

Tropico is a classic, layered, mafic/ultramafic complex. When the historic and current multi-element soil geochemical database is geospatially and statistically analyzed, the most striking observation is the enrichment and the strong inter-element correlation amongst copper, nickel, cobalt, chrome, platinum, palladium and gold. The correlations and metal ratios are typical of sulphides segregating from a moderately to highly fractionated basic magma with possible alkaline affinities. Furthermore, there is no clear evidence of any significant supergene enrichment. The more mobile copper and palladium are strongly correlative with the more immobile nickel, chrome, cobalt and platinum.

The complex appears to be dipping to the north-northwest (at least in the Main Maricela-San Pablo area) at approximately 80 degrees as indicated by modeling and profiling of the Fugro DIGHEM airborne magnetic survey data.

Mineralization, at least of 'significant' grade, appears to be stratigraphically restricted to the pyroxenite units. There is often widespread very low grade (0.05 to 0.1% Cu) mineralization in the adjacent, often much thicker gabbro units [occasionally >500 metre thick units], but generally these horizons contain only trace to weakly anomalous PGM values. While many of the strong soil anomalies out in this terrain have yet to be properly investigated (this will require extensive, but inexpensive back-hoe trenching), the Company's interpretation at this stage is that the gabbro is not as prospective a target horizon as the pyroxenite.

Partial to strong surface oxidation (now characterized by the presence of chrysocolla and malachite) extends downward from 30 to 100 metres.

The Skeena drilling shows that there are more bands of pyroxenite than had previously been mapped or interpreted, generally varying from 20 to >100 metres thick. In the central Maricela area, there are 4 main pyroxenite horizons, and each is mineralized [from N (up) to S (base of complex) respectively, 30 metres and 54 metres thick in Hole SK11-001, and 20 metres and 64 metres thick in Hole SK11-002]. The 2 horizons on the north side appear to have good continuity over a strike length of 2.5 km; the 2 horizons on the south side are interpreted to have continuity over a strike length of at least 1.5 km.

In retrospect, this pyroxenite banding is partially evident, but not well delineated, in the previous operator's work. Their back-hoe trenches were almost everywhere placed on the down-dip slope of a low outcrop ridge – thus slightly amplifying the thicknesses of the mineralized horizons. While the previous operator intentionally took advantage of the moderate slopes to provide for efficient machine trenching and wasting of overburden, it unintentionally and inadvertently masked the true thickness of individual bands by 'spreading' the surficial mineralized and lateritic weathered material down-slope. Thus, where the Company anticipated a single mineralized horizon of 100 to 125 metres thick, it has drill intersected two horizons of 30 and 54 metres, separated by 20 to 50 metres of un-mineralized gabbro.

There is some mineralogical zonation within the pyroxenites; generally more chalcopyrite-rich in the upper sections and more bornite-rich toward the base of each unit. Thus, the importance of drilling thru to the base of the layered complex – which Skeena did not achieve on the two more-or-less complete 'fences' (Holes 001 and 002, and Holes 007 and 008) - becomes very apparent. Initially, the Company was more focused on testing for strike continuity, trying to determine dip attitude and investigating the correlation between the soil geochemical responses and the re-interpreted airborne resistivity.

Assay results are encouraging – with only a single drill hole having missed the zones.

The following table summarizes some of the better drill results from (refer to website drill plan map for a more complete summary):

TROPICO DRILL RESULTS – 2011

Drill Hole No.	**From (m**	**To (m**	**Interval (m)**	**% Cu**	**PGM Pl + Pd + Au g/**	**Ag g/t**
SKE 11 - 01	74.(	104..0	30.0	0.504	0.573	3.2
SKE 11 - 01	128.(	182.1	54.1	0.465	0.570	2.6
SKE 11 - 02	108.7	129.1	20.4	0.405	0.539	2.3
SKE 11 - 02	148.6	212.9	64.3	0.360	0.503	1.9
SKE 11 - 04	92.9	121.3	28.4	0.235	0.402	1.4
SKE 11 - 08	114.6	178.5	63.9	0.395	0.635	2.3
SKE 11 - 10	221.(	265.7	44.7	0.336	0.431	1.9
SKE 11 - 15	74.(	194.5	120.5	0.255	0.345	1.4
SKE 11 - 17	70.9	155.7	84.8	0.224	0.292	1.1
SKE 11 - 17	166.7	218.5	51.8	0.189	0.318	1.9
SKE 11- 18	(	27.0	27.0	0.200	0.408	2.4
SKE 11 - 18	76.(	122.7	46.7	0.176	0.296	1.9

<u>Metallurgical testing</u>

A bench-scale metallurgical test was undertaken on available drill core, and the very favorable results are summarized as follows (Skeena news release dated Jan. 30, 2013):

The metallurgical sample was composited from 6 widely-spaced NQ drill holes and consisted of 4-metre long half-core mineralized intercepts obtained at an average vertical depth of approximately 75 metres. The weighted average head-grade of the sample was 0.433 % copper, 0.16 g/t gold, 0.20 g/t platinum, 0.27 g/t palladium and 2.3 g/t silver. The sample was processed in a conventional circuit consisting of crush, grind and flotation, with a standard three-stage cleaner flowsheet, and yielded batch test copper recovery of 85% to a concentrate grade of 27% copper. Primary grinding size was 80% passing 100 microns with re-grinding to 30 microns in the cleaning stage and with industry standard reagents being utilized in the test work.

A “locked cycle test” resulted in copper recovery of 88% to a 25% grade copper concentrate. Gold grade was 5.14 g/t at 53% recovery, platinum grade was 3.14 g/t at 29% recovery, and palladium grade was 5.43 g/t at 40% recovery.

The test work, which was performed by SGS Minerals Services in Vancouver, was focused specifically on the grind-recovery relationship for copper in both the rougher and cleaner stages of flotation**. The recoveries of copper, gold, silver and platinum group metals have not been optimized** as there was insufficient fresh core available in this shipment. SGS have suggested that with further optimization these recoveries could be improved. Nevertheless, it is apparent that a “saleable grade” copper concentrate with payable amounts of precious and platinum group metals could feasibly be obtained from this partially oxidized, low grade mineralization.

Proposed Evaluation Program

In order to significantly de-risk the Tropico project, the next stage of investigation proposed is approximately 1,000 metres of in-fill diamond drilling, primarily to be undertaken in order to obtain fresh core for a second bench-scale metallurgical test. This work will focus on the precious metal recoveries from a copper concentrate.

DISCUSSION OF OPERATIONS

Being in the exploration stage, the Company does not have revenues from operations, and relies on equity funding for its continuing financial liquidity. Subsequent to the quarter ended September 30, 2014, on October 27, 2014, the Company closed a financing in conjunction with the Spectrum acquisition transaction, to raise $2,550,295 through the issuance of an aggregate of 40,397,000 units consisting of 25,295,000 units at a price of $0.065 per unit, consisting of one flow-through common share and one non-flow through warrant; and 15,102,000 units at a price of $0.06 per unit, consisting of one non-flow-through common share and one warrant. Each warrant is exercisable to purchase one common share at a purchase price of $0.10 per common share for a period of two years from the date of issuance.

Mining concession fees for Tropico due January 31, 2014 remain outstanding and are estimated to be $50,000 with interest and penalties. The Company has recognized an impairment loss of $686,784 during the second quarter against the Tropico mineral properties, which is equivalent to its carrying value. In addition, field equipment was written off.

EVALUATION AND EXPLORATION EXPENDITURES

		TROPICO		SPECTRUM		TOTAL
Opening balance at January 1, 2012	$	1,061,822	$	-	$	1,061,822
Land rentals & permits		87,625		-		87,625
Satellite office		3,741		-		3,741
Assays and analysis/storage costs		7,496		-		7,496
Site travel		6,925		-		6,925
Maps and reporting		766		-		766
Community relations		2,575		-		2,575
Total expenditures to December 31, 2013	$	1,170,950	$	-	$	1,170,950
Land rentals & permits		50,000		46,932		96,932
Satellite office		7,201		-		7,201
Assays and analysis/storage costs		7,321		-		7,321
Field work and supplies		-		33,807		33,807
Site travel		-		3,306		3,306
Exploration and sampling		-		113,748		113,748
Maps and reporting		-		21,392		21,392
Geology consulting		-		28,313		28,313
		64,522		247,498		312,020
Total expenditures to September 30, 2014	$	1,235,472	$	247,498	$	1,482,970

SUMMARY OF QUARTERLY RESULTS

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

Quarter ended		30-Sep-14		30-Jun-14		31-Mar-14		31-Dec-13
Revenue [1]		-		-		-		-
Loss for the quarter	$	(440,287)	$	(903,454)	$	(25,991)	$	(82,097)
Loss per share	$	(0.02)	$	(0.00)	$	(0.00)	$	(0.00)

Quarter ended		30-Sep-13		30-Jun-13		31-Mar-13		31-Dec-12
Revenue[1]		-		-		-		-
Loss for the quarter	$	(19,954)	$	(69,189)	$	(20,123)	$	(57,565)
Loss per share	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)

(1) this being an exploration stage company, there are no revenues from operations;

Three months ended September 30, 2014

Losses of $440,287 occurred for the three months ended September 30, 2014 (2013 - $69,189), mainly attributable to the due diligence program conducted on the Spectrum property and to the payment of certain vendor debts to obtain technical information to complete an NI 43-101 report. The exploration expenditures of $212,374 in the three months ended September 30, 2014 consist of exploration and sampling costs and payments to obtain work permits to proceed with a drill program. In addition, the proposed transaction has increased legal fees to $32,694 (2013 – nil), consulting fees to $129,981 (2013 – 2,080) and investor relations to $29,755 (2013 – nil) from the prior year.

Nine months ended September 30, 2014

The Company reported net and comprehensive loss of $1,369,732, (2013 – $109,267) for the nine months ended September 30, 2014. The Company determined there was an impairment of the Tropico mineral property interests and wrote off $686,784 and the exploration and evaluation expenditures. The lead up to the acquisition of the Spectrum property, obtaining the required shareholder approval and raising the finances for an exploration and drill program, increased legal fees to $83,366 (2013 - $1,420), and transfer agent and listing fees $22,536 (2013 - $15,611), shareholder communications of $11,225 (2013 - $569) and investor relations of $32,421 (2013 – nil). Increased fees for consulting and management of $156,747 (2013 - $7,855) occurred in relation to steering the Company towards a significant property acquisition.

Cash flows for the nine months ended September 30, 2014

The Company shows net cash used in operating activities of $523,332 (2013 - $71,668) in the nine months ended September 30, 2014. Accounts payable increased by $505,697 from the $76,169 accounts payable at December 31, 2013 to $581,866 and as at September 30, 2014 due to the conditional due diligence program on Spectrum. An amount of $832,250 was held on deposit pending the close of the financing in conjunction with the Spectrum acquisition transaction which subsequently occurred on October 27, 2014 when the commitment to issue shares could be met.

LIQUIDITY AND CAPITAL RESOURCES

The Company shows a working capital deficiency of $1,052,561 as of September 30, 2014, due to deposits of $832,250 from investors held in a short term liability account called Commitment to Issue Shares, until October 27, 2014 when the financing closed and the Spectrum property acquisition was approved by the regulatory bodies. The Company closed a non-brokered financing raising aggregate gross proceeds of $2,550,295 through the issuance of an aggregate of 40,397,000 units consisting of 25,295,000 units at a price of $0.065 per unit, consisting of one flow-through common share and one non-flow through warrant; and 15,102,000 units at a price of $0.06 per unit, consisting of one non-flow-through common share and one warrant. Each warrant is exercisable to purchase one common share at a purchase price of $0.10 per common share for a period of two years from the date of issuance.

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 three and nine month periods ended September 30, 2014 and September 30, 2013 was as follows:

		For the three months ended September 30		For the nine months ended September 30	
		2014	**2013**	**2014**	**2013**
Short-term benefits	1	$ **57,319**	$ 2,080	$ **84,085**	$ 7,855

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 September 30, 2014 is $168,796 (2013 - $7,855) due to directors or officers.

Loans (subsequently converted to shares – see Subsequent Note 10.)

During the year ended December 31, 2013, the Company obtained a loan from a private company held by a director of the Company for $142,000. The loan is non-interest-bearing and due on demand.

During the year ended December 31, 2012, 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.

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 at managing 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 one 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.

OFF BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

On April 28, 2014 the Company announced that it had entered into a conditional asset purchase agreement with two private British Columbia corporations, Eilat and Keewatin, with respect to the acquisition of a 100% interest in the Spectrum Gold Property located in the Golden Triangle of the Stikine Arch in northwest British Columbia. The proposed transaction is described above in the Spectrum Property Transaction section.

OTHER MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional disclosure for venture issuers without significant revenue:

Capital Stock and Distributed Surplus as at November 26, 2014:

Authorized:

Unlimited common shares without par value

Issued:

159,842,095 common shares

Warrants:

Number	Exercise Price	Date of Expiry
800,000	$2.50	September 1, 2015
40,397,000	$0.10	October 27, 2016
1,218,268	$0.10	October 27, 2015
42,415,268		

Stock options:

Number	Exercise Price	Date of Expiry
50,000	$0.75	January 11, 2015
675,000	$0.50	September 22, 2015
14,950,000	$0.07	November 6, 2019
15,675,000		

Fully diluted:

217,932,363

OTHER INFORMATION

List of Directors and Officers

Directors

J. Rupert Allan, *Victoria, BC*
Ronald K. Netolitzky, *Victoria, BC*
Peter N. Tredger, *Vancouver, BC*
Walter Coles, Jr., *New York, NY*
Jean-Pierre Riffard., *Milwaukee, WI*

Officers

Walter Coles, Jr., President & CEO
Rupert Allan, VP Exploration
Karen A. Allan, CMA, CFO & Corporate Secretary

Auditors:
Smythe Ratcliffe LLP

Company solicitors:
Northwest Law Group