

Skeena to Acquire Mount Rainey Silver

Vancouver, BC (August 10, 2016) Skeena Resources Limited (TSX.V: SKE) (“Skeena” or the “Company”) and Mount Rainey Silver Inc. (“Mount Rainey”) (a private British Columbia corporation based in Calgary, Alberta) have entered into a definitive agreement dated August 9, 2016 (the “**Definitive Agreement**”) pursuant to which Skeena has agreed to issue up to 25,089,576 common shares in exchange for all of the issued and outstanding common shares of Mount Rainey by way of a Plan of Arrangement (the “**Arrangement**”) under the Business Corporations Act of British Columbia. Mount Rainey’s primary asset is a 100% owned portfolio of 46 Crown-granted mineral claims covering the past-producing, underground Prosperity – Porter Idaho – Silverado silver property (“**Porter Idaho Project**” or the “**Project**”) located in the Golden Triangle of northwest British Columbia in the Skeena Mining Division.

The Company will host an investor conference call to discuss the transaction at 4:15 pm EST/ 1:15 pm PST today, Wednesday, August 10, 2016. The conference call dial-in number is toll-free 888-632-3384 or 785-424-1675 and the verbal pass code is **Skeena**. A replay of the conference call will be available for three weeks and accessible by dialing toll-free 844-488-7474 or 862-902-0129 along with the pass code 79504332. Media are invited to attend on a listen-only basis. Supporting presentation slides will be available on Skeena’s website at www.skeenaresources.com.

The Porter Idaho Project has two known silver-bearing vein systems approximately 2,000 metres apart on opposite sides of Mt. Rainey with a surface portion of the intervening terrain masked by the icefield capping Mt. Rainey. All veins have the same strike, are intimately associated as splays off the well-delineated Silverado Fault and remain open at depth. As the icefield has been rapidly receding during the most recent few decades, it has exposed surface mineralization that may further indicate the apparent structural continuity between the two vein systems.

The Porter Idaho Project contains an 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) and an 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).

Porter Idaho Project Historical Resource Estimate			
@ 170 g/t Ag cut-off		Avg. Grades	Contained Metal
Category	Tonnes	Ag (g/t)	Ag (oz)
Indicated	394,700	868	11,000,000
Inferred	88,900	595	1,700,000

Estimates of mineral resources are dated March 10, 2008 and were prepared by independent consulting geologist N.C. Carter, Ph.D., P. Eng. for Raimount Energy Inc. and re-stated for Mount Rainey Silver Inc. on May 15, 2012. The foregoing estimates made use of an extensive database detailing results of both underground sampling programs as well as surface and underground diamond drilling and were prepared pursuant to CIM Standards on Mineral Resources and Reserves. Nevertheless, the reader is cautioned that a Qualified Person on behalf of Skeena has not done sufficient work to verify either the underlying sampling data or the calculation methodology to consider this to be a current resource and as a result, Skeena is treating this mineral resource as an Historical Estimate, as defined in National Instrument 43-101. Skeena has not yet determined what work needs to be completed in order to upgrade or verify the Historical Estimate.

Since the initial discovery of silver mineralization on Mount Rainey in the early 1900s, various portions of the property have been investigated by more than 6,000 metres of underground workings, including nine adits, several internal shafts and raises, as well as numerous exploration drifts. The majority of the exploration and development work to date, including surface and underground drill programs in the 1980s, was directed at the Prosperity – Porter Idaho silver-bearing, shear zone-hosted epithermal vein structures. Limited production of direct shipping high-grade material, mainly from the Prosperity vein, between 1929 and 1931 amounted to 27,123 tonnes with recovered grades of 2,542 g/t silver (73.8 oz/ton), 0.96 g/t gold, and 4.08% lead (yielding approximately 2.2 million ounces silver).

Walter Coles Jr., President & CEO of Skeena, stated, “The acquisition of this silver project fits well into Skeena’s growing portfolio of high-grade, post-discovery, precious metal projects in the Golden Triangle region of British Columbia. The Porter Idaho Project is a significant high-grade occurrence to which we aim to add considerable tonnage by diamond drilling the underexplored area between the two mineralized vein systems. Furthermore, the location of the Project, immediately southeast of Stewart at the head of the Portland Canal, a port with year-round access, contributes significantly to the intrinsic value of this exciting asset.”

Greg Vavra, President & CEO of Mount Rainey, commented, “We’ve held the Porter Idaho Project since 1978 and would only part with it to a group such as Skeena that has the reputation and experience to carry this project forward to its full potential. The business combination provides our shareholders with an outstanding path forward for value creation through access to Skeena’s technical capabilities and financial resources. Furthermore, the Arrangement gives our shareholders potential up-side exposure to Skeena’s high-profile Snip gold exploration project and the ongoing development of the Spectrum-GJ gold-copper project, both of which are also located in the Golden Triangle.”

Upon completion of the Arrangement, Mount Rainey will become a wholly-owned subsidiary of Skeena and, assuming no exercise of dissent rights under the Arrangement, former holders of common shares of Mount Rainey will hold approximately 5.15% of the outstanding common shares of Skeena on an undiluted basis.

The Boards of Directors of both companies have approved the Arrangement. The Arrangement must also be approved by a two-thirds majority of the votes cast by shareholders present and voting at the Special Meeting of Mount Rainey Silver (the “**Mount Rainey Meeting**”) which will be called to consider the Arrangement.

The Arrangement is also subject to the approval of the Supreme Court of British Columbia and all applicable regulatory authorities, including the TSX Venture Exchange (“**TSXV**”) and the conditions precedent set out in the Definitive Agreement. One such condition precedent is that Raimount Energy Inc. (“**Raimount**”) transfers its Glacier Creek Claims (as defined below) to Mount Rainey and existing liabilities aggregating approximately \$155,000 owing from Mount Rainey to Raimount are extinguished, in exchange for the issuance by Skeena of 1,450,000 common shares. The “**Glacier Creek Claims**” consist of 45 Crown-granted mineral claims located in the Glacier Creek/Albany Creek area on the east side of the Bear River Valley in British Columbia and five municipal lots located in Stewart, British Columbia. The companies expect to close the Arrangement in early September, 2016.

Pursuant to the terms of the Definitive Agreement, Mount Rainey shareholders will receive 5.65 common shares of Skeena for each common share of Mount Rainey held. Based on the August 9, 2016 closing price of \$0.18 for Skeena common shares, this represents an aggregate value to Mount Rainey shareholders of \$4,516,124. Evans & Evans, Inc. have provided a verbal fairness opinion to Mount Rainey’s Board of Directors that, as of the date of such opinion, the consideration payable to Mount Rainey shareholders is fair, from a financial point of view, to the shareholders of Mount Rainey.

The Definitive Agreement includes customary provisions, including fiduciary out provisions, a break fee payable to Skeena in certain circumstances, and covenants of Mount Rainey not to solicit other acquisition proposals. Skeena retains the right to match any superior proposal. The transaction is an arm’s length transaction and no finder’s fee is payable by either party.

Directors and officers, who hold approximately 46.3% of the issued and outstanding Mount Rainey shares, have entered into voting and support agreements with Skeena in support of the Arrangement.

A copy of the Definitive Agreement will be filed on SEDAR and will be available for viewing under the profile of Skeena on SEDAR. The Mount Rainey Meeting is expected to be held in early September, 2016.

Counsel and Advisors

Cassels Brock & Blackwell LLP is acting as legal counsel to Skeena. Carscallen LLP is acting as legal counsel to Mount Rainey. Evans & Evans, Inc. is acting as financial advisor to Mount Rainey.

Qualified Persons

The scientific and technical information contained in this news release has been reviewed and approved by Skeena’s VP of Exploration, Rupert Allan, P.Geol., a Qualified Person as defined by National Instrument 43-101.

About Skeena

Skeena Resources Limited is a junior Canadian mining exploration company focused on developing prospective base and precious metal properties in the Golden Triangle region of northern British Columbia, Canada. The Company’s primary activities are the evaluation and development of the Spectrum gold project and adjacent GJ copper-gold project as well as exploration on the recently optioned past-producing Snip gold mine, acquired from Barrick Gold Corp. Skeena’s management includes a highly experienced team of mine-finders, including Ron Netolitzky, Chairman of the Board.

On behalf of the Board of Directors of Skeena Resources Limited,



Walt Coles Jr.
President & CEO

Cautionary note regarding forward-looking information

This release contains certain "forward-looking information" under applicable Canadian securities laws concerning the events and transactions contemplated by the Definitive Agreement. Forward-looking information reflects Skeena's current internal expectations or beliefs and are based on information currently available to the two companies. In some cases forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "intend", "plan", "anticipate", "believe", "estimate", "projects", "potential", "scheduled", "forecast", "budget" or the negative of those terms or other comparable terminology. Assumptions upon which such forward-looking information is based include, among others, that the conditions to closing of the Arrangement will be satisfied, that the transactions contemplated by the Definitive Agreement will be completed on the terms set out in the Definitive Agreement, that all required regulatory, shareholder, court approvals will be obtained on a timely basis, and that the business prospects and opportunities of each of the companies will proceed as anticipated. Many of these assumptions are based on factors and events that are not within the control of Skeena, and there is no assurance they will prove to be correct or accurate. Risk factors that could cause actual results to differ materially from those predicted herein include, without limitation: that the Arrangement will not be completed at all or on terms less favourable to one party or the other, that required regulatory, shareholder or court approvals will not be obtained and that the business prospects and opportunities of each of the companies will not proceed as anticipated. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding (and the risk of inadequate insurance or inability to obtain insurance to cover these risks), as well as the risks disclosed by Skeena in its filings on SEDAR at www.sedar.com. Forward-looking information is not a guarantee of future performance and actual results and future events could differ materially from those discussed in any such forward-looking information. All of the forward-looking information contained in this news release is qualified by these cautionary statements. Readers cannot be assured that actual results will be consistent with such statements. The Arrangement may not be completed on the terms described above, or at all. Accordingly, readers are cautioned against placing undue reliance on any of the forward-looking information contained herein. Skeena each expressly disclaims any intention or obligation to update or revise any forward-looking information in this news release, whether as a result of new information, events or otherwise, except as required by applicable securities laws.

Neither TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.