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Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2024 and 2023

SKEENA RESOURCES LIMITED**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited – expressed in thousands of Canadian dollars)

| | Note | March 31, 2024 | December 31, 2023 |
|--|------|----------------|-------------------|
| ASSETS | | | |
| Current | | | |
| Cash and cash equivalents | | \$ 59,056 | \$ 91,135 |
| Marketable securities | | 1,369 | 1,554 |
| Receivables | | 2,437 | 3,225 |
| Prepaid expenses | | 1,175 | 1,588 |
| Other | | 140 | — |
| | | 64,177 | 97,502 |
| Deposits | 5 | 8,078 | 2,102 |
| Exploration and evaluation interests | 6 | 63,300 | 62,414 |
| Capital assets | | 31,885 | 32,969 |
| Other | | 142 | — |
| Total assets | | \$ 167,582 | \$ 194,987 |
| LIABILITIES | | | |
| Current | | | |
| Accounts payable and accrued liabilities | 9 | \$ 16,159 | \$ 20,588 |
| Current portion of lease liabilities | | 1,224 | 1,061 |
| Flow-through share premium liability | | 2,808 | 3,137 |
| Other | | 460 | 449 |
| | | 20,651 | 25,235 |
| Convertible debenture | 4 | 23,955 | 22,775 |
| Long-term lease liabilities | | 8,204 | 8,546 |
| Provision for closure and reclamation | | 13,008 | 13,654 |
| Other | | 272 | 242 |
| Total liabilities | | 66,090 | 70,452 |
| SHAREHOLDERS' EQUITY | | | |
| Capital stock | 7 | 552,881 | 552,397 |
| Commitment to issue shares | | 750 | 750 |
| Reserves | | 52,190 | 48,299 |
| Deficit | | (504,329) | (476,911) |
| Total shareholders' equity | | 101,492 | 124,535 |
| Total liabilities and shareholders' equity | | \$ 167,582 | \$ 194,987 |

NATURE OF OPERATIONS (NOTE 1)**CONTINGENCIES (NOTE 10)****SUBSEQUENT EVENTS (NOTE 6, 7 AND 11)**

ON BEHALF OF THE BOARD OF DIRECTORS:

signed "Craig Parry"

Director

signed "Suki Gill"

Director

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

SKEENA RESOURCES LIMITED**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited – expressed in thousands of Canadian dollars, except share and per share amounts)

| | Note | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|---|-------------|--|--|
| Accretion | | \$ 243 | \$ 63 |
| Administrative compensation | 9 | 1,274 | 1,384 |
| Change in fair value of convertible debenture | 4 | 1,180 | — |
| Communications | | 505 | 287 |
| Consulting | 9 | 478 | 138 |
| Depreciation | | 228 | 71 |
| Exploration and evaluation | 6 | 20,047 | 11,052 |
| Flow-through share premium recovery | | (329) | (197) |
| Insurance | | 293 | 532 |
| Interest income | | (1,002) | (242) |
| Loss on derecognition of right-of-use asset | | 220 | — |
| Loss on marketable securities | | 147 | 365 |
| Office and administration | | 504 | 385 |
| Professional fees | | 382 | 495 |
| Share-based payments | 7,9 | 3,001 | 2,160 |
| Transfer agent and listing fees | | 247 | 250 |
| Loss and comprehensive loss for the period | | \$ (27,418) | \$ (16,743) |
| Loss per share – basic and diluted | | \$ (0.30) | \$ (0.22) |
| Weighted average number of common shares outstanding – basic and diluted | | 90,316,753 | 77,869,653 |

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

SKEENA RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited – expressed in thousands of Canadian dollars, except shares)

| | Capital Stock (Note 7) | | Commitment to Issue Shares | Reserves (Note 7) | Deficit | Total Shareholders' Equity |
|-----------------------------------|---------------------------|------------|-------------------------------|----------------------|--------------|----------------------------------|
| | Shares | Amount | | | | |
| Balance December 31, 2022 | 77,655,882 | \$ 464,029 | \$ 1,250 | \$ 39,879 | \$ (367,931) | \$ 137,227 |
| Tahltan Investment Rights | 119,785 | 1,500 | — | (1,500) | — | — |
| Exercise of options | 260,108 | 1,597 | — | (577) | — | 1,020 |
| Exercise of warrants | 9,657 | 90 | — | (25) | — | 65 |
| Share-based payments | — | — | — | 2,438 | — | 2,438 |
| Loss for the period | — | — | — | — | (16,743) | (16,743) |
| Balance March 31, 2023 | 78,045,432 | 467,216 | 1,250 | 40,215 | (384,674) | 124,007 |
| Balance December 31, 2023 | 90,296,093 | \$ 552,397 | \$ 750 | \$ 48,299 | \$ (476,911) | \$ 124,535 |
| Exercise of options | 20,834 | 132 | — | (41) | — | 91 |
| Vesting of restricted share units | 48,334 | 352 | — | (352) | — | — |
| Share-based payments | — | — | — | 4,284 | — | 4,284 |
| Loss for the period | — | — | — | — | (27,418) | (27,418) |
| Balance March 31, 2024 | 90,365,261 | \$ 552,881 | \$ 750 | \$ 52,190 | \$ (504,329) | \$ 101,492 |

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

SKEENA RESOURCES LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited – expressed in thousands of Canadian dollars)

| | Note | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|------|--------------------------------------|--------------------------------------|
| OPERATING ACTIVITIES | | | |
| Loss for the period | | \$ (27,418) | \$ (16,743) |
| Items not affecting cash | | | |
| Accretion | | 291 | 116 |
| Change in fair value of convertible debenture | 4 | 1,180 | — |
| Depreciation | | 752 | 504 |
| Flow-through share premium recovery | | (329) | (197) |
| Loss on derecognition of right-of-use asset | | 220 | — |
| Loss on marketable securities | | 147 | 365 |
| Share-based payments | 7 | 4,079 | 2,438 |
| Other | | (30) | — |
| Changes in non-cash operating working capital | | | |
| Receivables | | 1,693 | (451) |
| Prepaid expenses | | 497 | (921) |
| Accounts payable and accrued liabilities | | (4,299) | (2,920) |
| Net cash used in operating activities | | (23,217) | (17,809) |
| INVESTING ACTIVITIES | | | |
| Proceeds from sale of marketable securities | | 38 | 1 |
| Deposits paid | 5 | (5,976) | (1,814) |
| Exploration and evaluation asset expenditures | 10 | (787) | — |
| Purchase of capital assets | | (1,673) | (160) |
| Net cash used in investing activities | | (8,398) | (1,973) |
| FINANCING ACTIVITIES | | | |
| Lease payments | | (419) | (203) |
| Proceeds from option exercises | 16 | 91 | 1,020 |
| Proceeds from warrant exercises | | — | 65 |
| Share issue costs | | (85) | — |
| Transaction costs on convertible debentures | | (51) | — |
| Net cash (used in) provided by financing activities | | (464) | 882 |
| Change in cash and cash equivalents during the period | | (32,079) | (18,900) |
| Cash and cash equivalents, beginning of the period | | 91,135 | 40,602 |
| Cash and cash equivalents, end of the period | | \$ 59,056 | \$ 21,702 |
| Cash and cash equivalents are comprised of: | | | |
| Cash | | \$ 7,888 | \$ 21,442 |
| Cash equivalents | | 51,168 | 260 |
| Cash and cash equivalents | | \$ 59,056 | \$ 21,702 |

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (NOTE 8)

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

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

1. NATURE OF OPERATIONS

Skeena Resources Limited (“Skeena” or the “Company”) is incorporated under the laws of the province of British Columbia, Canada, and its principal business activity is the exploration and evaluation of mineral properties focused in British Columbia. The Company’s corporate office is located at 2600 – 1133 Melville Street, Vancouver, British Columbia, V6E 4E5. The Company’s stock is trading on the Toronto Stock Exchange and New York Stock Exchange under the ticker symbol “SKE”, and on the Frankfurt Stock Exchange under the ticker symbol “RXF”. The Company is in the exploration stage with respect to its mineral property interests.

The Company has previously relied primarily on share issuances in order to fund its exploration and evaluation activities and other business objectives. As at March 31, 2024, the Company had cash and cash equivalents of \$59,056,000. Based on forecasted expenditures, this balance will be sufficient to fund the Company’s committed exploration and evaluation expenditures and general administrative costs for at least twelve months from the reporting date. However, if the Company continues its current level of exploration and evaluation activities planned for twelve months after the reporting date, the current cash balances will not be sufficient to fund these expenditures. In the longer term, the Company’s ability to continue as going concern is dependent upon successful execution of its business plan (including bringing the Eskay Creek project to profitable operation), raising additional capital or evaluating strategic alternatives for its mineral property interests. The Company expects to continue to raise the necessary funds primarily through the issuance of shares and construction financing which is anticipated to be provided through a combination of debt, equity and other instruments at the appropriate time. There can be no guarantees that future equity and/or construction financings will be available on acceptable terms or at all, in which case the Company may need to reduce or delay its longer-term exploration and evaluation plans.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). They do not include all of the information and footnotes required for annual financial statements prepared using International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the Company’s audited consolidated financial statements as at and for the year ended December 31, 2023.

Except as disclosed in Note 3, the accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited annual consolidated financial statements as at and for the year ended December 31, 2023.

The Board of Directors approved these unaudited condensed interim consolidated financial statements for issuance on May 9, 2024.

Significant accounting estimates and judgments

The preparation of these unaudited condensed interim consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. Significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty are the same as those that applied to the annual consolidated financial statements as at and for the year ended December 31, 2023.

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

Adoption of new accounting standards in 2024

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows (“IAS 7”), and IFRS 7, Financial Instruments Disclosures (“IFRS 7”), to provide guidance on disclosures related to supplier finance arrangements that enable the users of financial statements to assess the effects of these arrangements on the entity’s liabilities and cash flows and on the entity’s exposure to liquidity risk.

The Company adopted these amendments to IAS 7 and IFRS 7 effective January 1, 2024. The extent of the impact of the adoption of these amendments has been determined to have no material impact on the financial statements.

New standards and interpretations not yet adopted in 2024

IFRS 18: Presentation and Disclosure of Financial Statements

On April 9, 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”), to improve reporting of financial performance. IFRS 18 replaces IAS 1, Presentation of Financial Statements (“IAS 1”). IFRS 18 carries forward many of the requirements of IAS 1 but introduces significant changes to the structure of a company’s statement of income (loss).

The standard is applicable for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. The Company is currently evaluating the impact of the adoption of the standard.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The carrying values of the Company’s financial instruments are comprised of the following:

| Financial Instrument | Category | March 31, 2024 | December 31, 2023 |
|-------------------------------------|-----------------------------------|----------------|-------------------|
| Cash and cash equivalents | Amortized cost | \$ 59,056 | \$ 91,135 |
| Marketable securities | Fair value through profit or loss | \$ 1,369 | \$ 1,554 |
| Receivables | Amortized cost | \$ 954 | \$ 957 |
| Deposits | Amortized cost | \$ 8,078 | \$ 2,102 |
| Contingent consideration receivable | Fair value through profit or loss | \$ — | \$ — |
| Accounts payable | Amortized cost | \$ 5,719 | \$ 16,074 |
| Convertible debenture | Fair value through profit or loss | \$ 23,955 | \$ 22,775 |
| Other liabilities | Amortized cost | \$ 732 | \$ 691 |

For financial assets and financial liabilities at amortized cost, the fair value at initial recognition is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The fair value of the Company’s cash and cash equivalents, receivables, deposits, accounts payable and other liabilities approximate their carrying amounts due to the short-term maturities of these instruments and/or the rate of interest being received or charged.

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Valuation techniques using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Valuation techniques using inputs for the asset or liability that are not based on observable market data.

The carrying value of the Company's marketable securities is based on the quoted market price of the shares in the publicly traded company to which the investment relates (Level 1).

The fair value of the contingent consideration receivable is subject to significant estimates relating to the probability of the occurrence of certain events (Level 3).

The fair value of the convertible debenture is subject to significant estimates relating to the probability and timing that (i) the Company will complete a project financing of at least US\$200,000,000 during the term of the convertible debenture; and (ii) there will be a change of control, calculated using the partial differential equation approach (Level 3). During the three months ended March 31, 2024, the fair value of the liability component of the convertible debenture increased by \$1,180,000. Pursuant to the terms of the convertible debenture, the Company must also comply with certain covenants. As at March 31, 2024, the Company was in compliance with those covenants.

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

Credit risk

Credit losses are measured using a present value and probability-weighted model that considers all reasonable and supportable information available without undue cost or effort along with information available concerning past defaults, current conditions and forecasts at the reporting date.

IFRS 9 – Financial Instruments, requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3). There are no material expected credit losses with respect to the Company's financial instruments held at amortized cost.

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 March 31, 2024, the Company is exposed to market risk on its marketable securities. A 10% decrease in the share price of the Company's marketable securities at March 31, 2024 would have resulted in a \$137,000 decrease to the carrying value of the Company's marketable securities and an increase of the same amount to the Company's unrealized loss on marketable securities.

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

The undiscounted financial liabilities as of March 31, 2024 will mature as follows:

| | Less than 1 year | 1-5 years | Greater than 5 years | Total |
|------------------------------------|---------------------|-----------|-------------------------|---------|
| Accounts payable | \$ 5,719 | \$ — | \$ — | 5,719 |
| Commitment to spend on exploration | 12,430 | — | — | 12,430 |
| Reclamation and mine closure | 33 | 252 | 26,912 | 27,197 |
| Leases ¹ | 8,228 | 8,088 | 12,377 | 28,693 |
| Convertible debenture ² | — | 35,371 | — | 35,371 |
| Other liabilities | 500 | 278 | — | 778 |
| Total | \$ 26,910 | \$ 43,989 | \$ 39,289 | 110,188 |

(1) Including non-lease components such as common area maintenance and other costs.

(2) Principal and interest payments are presented on the basis that the convertible debenture matures in December 2028 and that the Company continues to elect to accrue interest to the principal amount and pay the principal and accrued interest upon the convertible debenture's maturity. While the convertible debenture has a maturity date of December 2028, Management expects that the convertible debenture will be repaid during 2024 upon completion of project financing for the construction and development of the Eskay Creek project.

5. DEPOSITS

During the three months ended March 31, 2024, the Company paid deposits of \$5,693,000 (2023 – \$nil) relating to certain infrastructure at Eskay Creek.

6. EXPLORATION AND EVALUATION INTERESTS

Exploration and evaluation assets

| | Eskay | Snip | Other | Total |
|---|-----------|----------|-----------|----------|
| Balance, December 31, 2023 | \$ 78,488 | \$ 959 | \$ 15,991 | 95,438 |
| Change of estimate to closure and reclamation | 6,910 | 510 | — | 7,420 |
| Additions | 15,334 | — | 132 | 15,466 |
| Sale of royalty | (55,910) | — | — | (55,910) |
| Balance, December 31, 2023 | \$ 44,822 | \$ 1,469 | \$ 16,123 | 62,414 |
| Change of estimate to closure and reclamation | (476) | (219) | — | (695) |
| Additions | 1,581 | — | — | 1,581 |
| Balance, March 31, 2024 | \$ 45,927 | \$ 1,250 | \$ 16,123 | 63,300 |

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

6. EXPLORATION AND EVALUATION INTERESTS (continued)

Eskay Creek Property, British Columbia, Canada

On December 18, 2023, the Company sold a 1% net smelter return royalty on Eskay to Franco-Nevada Corporation for cash consideration of \$56,000,000 and contingent cash consideration of \$3,000,000 to \$4,500,000 which is payable to the Company upon completion of certain milestones. As of March 31, 2024, the milestones have not been completed.

During the year ended December 31, 2023, the Company acquired five mineral claims for cash consideration of \$4,000,000 and incurred \$11,334,000 relating to earthworks for certain infrastructure at Eskay.

During the three months ended March 31, 2024, the Company incurred and capitalized \$1,581,000 (2023 - \$nil) relating to the engineering and fabrication of certain mill equipment.

Other properties

On October 18, 2022, the Company acquired three properties in the Golden Triangle area that are located on either side of Newcrest and Imperial Metals' Red Chris mine, approximately 20km southeast of the village of Iskut from Coast Copper Corp. for \$3,000,000, payable in six equal payments of \$250,000 in cash and \$250,000 in common shares. As at December 31, 2023, the Company had paid \$750,000 in cash and issued 110,221 common shares in satisfaction of the first three payments. In April 2024, the Company paid \$250,000 in cash and issued 40,193 common shares in satisfaction of the fourth payment.

Exploration and evaluation expenses

| Three months ended March 31, 2024 | Eskay | Snip | Other | Total |
|--------------------------------------|-----------|--------|--------|-----------|
| Accretion | \$ 48 | \$ — | \$ — | \$ 48 |
| Assays and analysis/storage | 213 | — | 56 | 269 |
| Camp and safety | 174 | — | — | 174 |
| Claim renewals and permits | 337 | — | — | 337 |
| Depreciation | 524 | — | — | 524 |
| Environmental studies | 7,213 | 28 | — | 7,241 |
| Equipment rental | 285 | — | — | 285 |
| Fieldwork, camp support | 925 | — | 41 | 966 |
| Fuel | 61 | — | — | 61 |
| Geology, geophysics, and geochemical | 8,032 | — | 219 | 8,251 |
| Helicopter | 174 | — | — | 174 |
| Metallurgy | — | 76 | — | 76 |
| Part XII.6 tax, net of METC | (99) | — | — | (99) |
| Share-based payments (Note 9) | 1,078 | — | — | 1,078 |
| Transportation and logistics | 662 | — | — | 662 |
| Total for the period | \$ 19,627 | \$ 104 | \$ 316 | \$ 20,047 |

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

6. EXPLORATION AND EVALUATION INTERESTS (continued)

Exploration and evaluation expenses (continued)

| Three months ended March 31, 2023 | Eskay | Snip | Other | Total |
|--------------------------------------|-----------|--------|--------|-----------|
| Accretion | \$ 53 | \$ — | \$ — | \$ 53 |
| Assays and analysis/storage | 908 | — | 47 | 955 |
| Camp and safety | 8 | — | — | 8 |
| Claim renewals and permits | 313 | 17 | 5 | 335 |
| Community relations | — | — | 3 | 3 |
| Depreciation | 433 | — | — | 433 |
| Drilling | — | — | 2 | 2 |
| Electrical | 2 | — | — | 2 |
| Environmental studies | 3,254 | 75 | — | 3,329 |
| Equipment rental | 166 | — | 1 | 167 |
| Fieldwork, camp support | 641 | 8 | 43 | 692 |
| Fuel | 34 | — | — | 34 |
| Geology, geophysics, and geochemical | 3,733 | — | 2 | 3,735 |
| Helicopter | 56 | — | — | 56 |
| Metallurgy | 389 | — | — | 389 |
| Part XII.6 tax, net of METC | 186 | — | 23 | 209 |
| Share-based payments (Note 9) | 278 | — | — | 278 |
| Transportation and logistics | 369 | — | 3 | 372 |
| Total for the period | \$ 10,823 | \$ 100 | \$ 129 | \$ 11,052 |

7. CAPITAL STOCK AND RESERVES

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

Tahltan Investment Rights

On April 16, 2021, the Company entered into an investment agreement with the Tahltan Central Government (“TCG”), pursuant to which TCG invested \$5,000,000 into Skeena by purchasing 399,285 Tahltan Investment Rights (“Rights”) for approximately \$12.52 per Right. Each Right would vest by converting into one common share upon the achievement of key Company and permitting milestones (“Milestones”), or over time, as follows:

- 119,785 Rights: earlier of Milestone 1 achievement or April 16, 2023;
- 119,785 Rights: earlier of Milestone 2 achievement or April 16, 2023;
- 79,857 Rights: earlier of Milestone 3 achievement or April 16, 2023; and
- 79,858 Rights: earlier of Milestone 4 achievement or April 16, 2024.

As of December 31, 2023, the share payments related to Milestones 1, 2 and 3 had been made. In April 2024, the Company issued the final share payment related to Milestone 4 by converting 79,858 Rights into 79,858 common shares of the Company.

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

7. CAPITAL STOCK AND RESERVES (continued)

Share-based payments

Stock options

The stock options have a maximum expiry date period of 5 years from the grant date. The Company determines the fair value of the stock options granted using the Black-Scholes option pricing model.

Restricted share units and performance share units

Upon each vesting date, participants will receive, at the sole discretion of the Board of Directors: (a) common shares equal to the number of RSUs or PSUs that vested; (b) cash payment equal to the 5-day volume weighted average trading price of common shares; or (c) a combination of (a) and (b). For RSUs classified as equity settled share-based payments, the Company determines the fair value of the RSUs granted using the Company's share price on grant date. For PSUs granted during the year ended December 31, 2023, the fair values were determined using the Company's share price on grant date.

Deferred share units

The DSUs are granted to independent members of the Board of Directors. The DSUs vest immediately and have all of the rights and restrictions that are applicable to RSUs, except that the DSUs may not be redeemed until the participant has ceased to hold all offices, employment and directorships with the Company. For DSUs classified as equity settled share-based payments, the Company determines the fair value of the DSUs granted using the Company's share price on grant date.

Share purchase warrant, RSU, PSU and DSU and stock option transactions are summarized as follows:

| | Warrants | | RSUs | PSUs | DSUs | Stock Options | |
|--------------------------------|----------|---------------------------------|-----------|---------|---------|---------------|----------|
| | Number | Weighted Average Exercise Price | | | | Number | Number |
| Outstanding, December 31, 2022 | 12,823 | \$ 6.77 | 1,835,821 | — | — | 5,033,425 | \$ 10.44 |
| Granted | — | \$ — | 607,750 | 770,000 | 86,257 | 485,151 | \$ 8.42 |
| Exercised | (9,657) | \$ 6.81 | (400,776) | — | — | (267,524) | \$ 3.86 |
| Cancelled | (3,166) | \$ 6.57 | (197,456) | — | — | (351,134) | \$ 11.80 |
| Outstanding, December 31, 2023 | — | \$ — | 1,845,339 | 770,000 | 86,257 | 4,899,918 | \$ 10.34 |
| Granted | — | \$ — | 323,940 | — | 142,158 | 1,022,093 | \$ 5.71 |
| Exercised | — | \$ — | (48,334) | — | — | (20,834) | \$ 4.35 |
| Cancelled | — | \$ — | (23,659) | — | — | (38,732) | \$ 7.61 |
| Outstanding, March 31, 2024 | — | \$ — | 2,097,286 | 770,000 | 228,415 | 5,862,445 | \$ 9.57 |
| Exercisable, March 31, 2024 | — | \$ — | — | — | — | 3,731,622 | \$ 10.55 |

On January 12, 2024, the Company granted 37,078 DSUs to the non-executed members of the Board of Directors in connection with the settlement of accrued directors fees.

SKEENA RESOURCES LIMITED

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

7. CAPITAL STOCK AND RESERVES (continued)

Share-based payments (continued)

On January 28, 2024, the Company granted 822,093 stock options, 323,940 RSUs and 105,080 DSUs to various directors, officers, employees and consultants of the Company. The stock options and RSUs vest over a 36-month period, with one third of the stock options and RSUs vesting on each anniversary of the grant. The stock options have a term of 5 years, with each option allowing the holder to purchase one common share of the Company at a price of \$5.71 per common share. In addition to the vesting period above, the stock options and RSUs granted to senior management will only vest upon the Company raising at least \$65,000,000. The Board of Directors also approved to grant 199,912 RSUs to an officer of the Company, with the RSUs to be granted upon meeting certain regulatory conditions and to vest on December 10, 2024 upon the Company raising at least \$65,000,000.

On January 28, 2024, the Company also granted 200,000 stock options to a consultant of the Company. The options have a term of 5 years and vest over a 24-month period, with one quarter of the stock options vesting every 6 months from the date of grant. Each option allows the holder to purchase one common share of the Company at a price of \$5.71 per common share.

The weighted average share price at the date of exercise of the stock options was \$6.14 during the three months ended March 31, 2024 (2023 – \$7.42). The weighted average share price at the date of exercise of the warrants was \$7.69 during the three months ended March 31, 2023.

As at March 31, 2024, stock options, RSUs, and PSUs outstanding and exercisable were as follows:

| | Exercise Price (\$/Share) | Outstanding | Weighted Average Remaining Life (Years) | Exercisable |
|---------------|------------------------------|-------------|---|-------------|
| Stock options | 1.00 - 5.00 | 768,593 | 0.95 | 768,593 |
| | 5.01 - 10.00 | 1,725,752 | 4.47 | 114,187 |
| | 10.01 - 15.00 | 3,368,100 | 2.07 | 2,848,842 |
| | | 5,862,445 | 2.63 | 3,731,622 |
| RSUs | | 2,097,286 | 0.80 | — |
| PSUs | | 770,000 | 1.47 | — |

Share-based payments expense for the three months ended March 31, 2024 and 2023 consist of:

| | 2024 | | 2023 | |
|--|------|-------|------|-------|
| Stock options | \$ | 773 | \$ | 741 |
| RSUs | | 2,022 | | 1,697 |
| PSUs | | 684 | | — |
| DSUs | | 600 | | — |
| | \$ | 4,079 | \$ | 2,438 |
| Recorded in exploration and evaluation expense | \$ | 1,078 | \$ | 278 |
| Recorded in general and administrative expense | | 3,001 | | 2,160 |
| | \$ | 4,079 | \$ | 2,438 |

SKEENA RESOURCES LIMITED

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For the three months ended March 31, 2024 and 2023

(Unaudited – expressed in thousands of Canadian dollars within tables, unless otherwise noted)

7. CAPITAL STOCK AND RESERVES (continued)

Share-based payments (continued)

The weighted average fair value per unit of the Company's stock options and share units granted during the three months ended March 31, 2024 and 2023 were as follows:

| | 2024 | | 2023 | |
|---------------|------|------|------|------|
| Stock options | \$ | 2.45 | \$ | — |
| RSUs | \$ | 5.71 | \$ | 7.28 |
| DSUs | \$ | 5.67 | \$ | — |

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. Weighted average inputs used were as follows:

| | 2024 | | 2023 | |
|-------------------------|------|---------|------|-----|
| Expected life (years) | | 3.5 | | — |
| Annualized volatility | | 54.21 % | | — % |
| Dividend rate | | — % | | — % |
| Risk-free interest rate | | 3.79 % | | — % |

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash transactions during the three months ended March 31, 2024 and 2023 that were not presented elsewhere in the unaudited condensed interim consolidated financial statements are as follows:

| | 2024 | | 2023 | |
|---|------|-------|------|-----|
| Capital asset additions in accounts payable and accrued liabilities | \$ | 167 | \$ | 142 |
| Leasehold improvement allowance in receivables | \$ | 905 | \$ | — |
| Sublease payments and security deposit in prepaid expense | \$ | 84 | | — |
| Discount on sublease deposit liability capitalized in net investment in sublease | \$ | 4 | | — |
| Exploration and evaluation expenditures in accounts payable and accrued liabilities | \$ | 1,906 | \$ | — |
| Settlement of accrued directors fees through issuance of DSUs | \$ | 205 | \$ | — |

During the three months ended March 31, 2024 and 2023, the Company did not make any payments towards interest or income taxes.

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9. 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 months ended March 31, 2024 and 2023 is as follows:

| | 2024 | 2023 |
|--|----------|----------|
| Director remuneration | \$ 96 | \$ 81 |
| Officer & key management remuneration ¹ | \$ 876 | \$ 854 |
| Termination benefits | \$ — | \$ 675 |
| Share-based payments | \$ 2,802 | \$ 1,630 |

(1) Remuneration consists exclusively of salaries, bonuses, and health benefits for officers and key management. These costs are components of administrative compensation, consulting, and exploration and evaluation expense categories in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

Share-based payment expenses to related parties recorded in exploration and evaluation expense and general and administrative expense during the three months ended March 31, 2024 and 2023 are as follows:

| | 2024 | 2023 |
|------------------------------------|----------|----------|
| Exploration and evaluation expense | \$ 259 | \$ 126 |
| General and administrative expense | \$ 2,543 | \$ 1,504 |

Recoveries

During the three months ended March 31, 2024, the Company recovered \$nil (2023 – \$4,000) in salary recoveries from a company with common officer as a result of billing employee time for services provided. The salary recoveries were recorded in administrative compensation expense.

Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities at March 31, 2024 is \$424,000 (December 31, 2023 – \$1,004,000) due to key management personnel in relation to compensation noted above.

10. CONTINGENCIES

Due to the nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues such items as liabilities when the amount can be reasonably estimated, and settlement of the matter is probable to require an outflow of future economic benefits from the Company.

On February 7, 2022, the Chief Gold Commissioner of the province of British Columbia determined that the Company does not own the mineral rights to materials previously deposited in the Albino Lake Storage Facility by Barrick. The Company has an appeal hearing on this matter with the British Columbia Court of Appeal beginning on May 15, 2024. As the materials contained in the Albino Lake Storage Facility were not included in the Company's Eskay Creek Prefeasibility Study, Feasibility Study and updated Feasibility Study, the outcome of this matter is not expected to have any effect on the carrying value of Eskay.

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11. OTHER SUBSEQUENT EVENT

In April 2024, the Company issued 302,357 common shares upon vesting of RSUs granted on April 21, 2022.