

SKEENA RESOURCES LIMITED**FORM 51-102F1****MANAGEMENT'S DISCUSSION & ANALYSIS – 3rd QUARTER 2005**

The following discussion and analysis, prepared as of **November 25, 2005**, provides information that management believes is relevant to an assessment and understanding of the Company's interim financial condition and the results of its operations and cash flows for the three-month period ended September 30, 2005. The discussion should be read in conjunction with the financial statements for the quarter ended September 30, 2005 and accompanying notes and the annual audited consolidated financial statements, related notes and annual MD&A for the year ended December 31, 2004. The financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles.

Description of Business and Overall Performance

Skeena Resources Limited ("the Company") is a mineral exploration stage corporation with two exploration properties in British Columbia, Canada and a gold exploration property at El Corazon, Ecuador, the latter being the Company's primary focus. The Company is a reporting issuer in British Columbia, Alberta, and Saskatchewan and trades on the TSX Venture Exchange under the symbol SKE.

The Company's wholly owned subsidiary, Alphec Alpha Ecuador S.A., holds the option interest in the El Corazon gold property in Ecuador acquired in 2004.

On July 16, 2005 a Kluane International drill rig and crew were mobilized onto the optioned El Corazon project in northwest Ecuador. Drilling commenced on July 18th and to the end of the program on November 14th, 31 holes totaling 5,989.5 metres of N thin-wall core were completed and the drill rig and crew demobilized. Assays for the first 13 holes were discussed in a news release dated September 15, and for the following 10 holes the summary news release was dated November 2, 2005. As of the date of this report, laboratory results are still pending. Assays from the remaining 8 holes and a compilation map should be available for release by the beginning of December.

A small, continuing program of surveying, trench re-location and sampling, geologic mapping, re-logging of some of the original RTZ core will be complete by December 2nd. At that time the camp will be placed on a care and maintenance basis and all of the portable equipment warehoused in Quito. The final access road rehabilitation is scheduled to be completed December 15th. The Company's community relations program, under the direction of Alfredo Sebastia, managing director of Alphec Alpha Ecuador S.A., will continue throughout the winter months.

The El Corazon option agreement stipulates the issuance of 2.5 million shares of the Company to Alpha Oil Inc. on December 11, 2005. In this regard, the TSX Venture Exchange requires an up-dated 43-101 compliant geological summary and evaluation report. This work has been commissioned to David F. Reid, P.Geo., the project manager for the just completed drilling. The report will include detailed recommendations and a proposed budget for the next phase of drilling which is anticipated to commence March 1st, 2006.

On July 15, 2005, the Company completed a non-brokered private placement of 3,812,500 units to raise \$1.525 million. Each unit consists of one common share at \$0.40 per share and one two-year share purchase warrant exercisable at \$0.75 per share. Proceeds financed the drill program at the Company's El Corazon gold project and general corporate purposes. The Company will continue to seek out new quality advanced gold and base metal projects within Canada and internationally to enhance the portfolio of exploration properties.

Results 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.

Cash flows for the most recent quarter

In the quarter ended September 30, 2005, the Company raised \$867,200, of which \$24,000 was from exercise of options, and the remainder, deposits from the financing begun in the previous quarter to raise a total of

\$1,525,000 by issuing 3,812,500 shares. Commission costs for the two financing tranches were \$76,880 and were netted against share capital. Cash expenditures (deferred) on resource properties (essentially all spent in Ecuador), were \$610,556. Cash supplied by operating activities was \$66,601 primarily reflecting an increase in accounts payable; all transactions resulting in an increase in cash of \$312,105 for a total cash of \$959,517. The number of issued and outstanding common shares increased during the quarter by 2,500,000, for a total of 37,098,616 common shares outstanding.

By comparison, during the quarter ended September 30, 2004, cash used in operating activities was \$32,090 with no resource expenditures prior to the finalization of the El Corazon property deal.

Loss for the most recent quarter

During the quarter ended September 30, 2005, the loss was \$470,267 (2004 - \$20,688) of which general and administrative expenses were \$58,739 (2004 - \$21,167). The Ice project claims were returned to the vendor and \$411,976 of costs attributed to that project were written off (there were no write offs in the 2004 quarter).

During the quarter, there were consulting fees of \$30,477 (2004 - \$17,093) of which \$21,000 (2004 - \$9,000) were paid to a company controlled by a director for management and geological services. Administration expenses average \$20,000 to \$30,000 a month, fluctuating with higher legal and regulatory costs when raising capital.

Risk of Doing Business

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is also dependent upon a number of factors which are beyond the Company's control. Some of these factors are the attributes of the mineral occurrences, commodity prices, market trends, cost of financing and country risks including uncertain political and economic environments, restrictions on export and repatriation of capital and profits.

The development of the El Corazon property will require licenses and permits from various levels of government. The Company believes that as it progresses in the future it will be able to obtain all necessary licenses and permits for continuing its exploration programs although there is no assurance of this. The Company intends to comply with all licenses and permits it acquires.

The El Corazon property is in a region of Ecuador where exploration and artisanal mining is being conducted. Within the Company's property boundaries, there is a lease that requires renewal in 2008. The Company believes it has been conducting business there in a responsible and prudent manner and to date has been able to progress as planned. The majority of the Company's money is held in Canada and funds are transferred to Ecuador to meet current obligations. Currently, inflation is not a material issue in Ecuador.

Summary of Quarterly Results

The following tables report selected financial information of the Company for the past eight quarters beginning with the reported financial statements at December 31, 2003.

Quarter ended		30-Sep-05		30-Jun-05		31-Mar-05		30-Dec-04
Capitalized property acquisition and exploration costs	\$	275,581	\$	349,959	\$	302,834	\$	1,738,726
Revenue ⁽⁵⁾		-		-		-		-
Loss for the quarter	\$	(470,267) ⁽¹⁾	\$	(146,644) ⁽²⁾	\$	(461,476) ⁽³⁾	\$	(113,877)
Loss per share	\$	(0.00)	\$	(0.00)	\$	(0.00)	\$	(0.00)

Summary of quarterly results (cont'd...)

Quarter ended	30-Sep-04	30-Jun-04	31-Mar-04	31-Dec-03
Capitalized property acquisition and exploration costs	\$ -	\$ 45,365	\$ (51,129)	\$ 28,976
Revenue ⁽⁴⁾	-	-	-	-
Loss for the quarter	\$ (20,688)	\$ (59,007)	\$ (29,079)	\$ (522,862) ⁽⁵⁾
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)

⁽¹⁾ includes \$ 411,976 in mineral property write-offs.

⁽²⁾ includes \$ 33,657 stock based compensation

⁽³⁾ includes \$ 306,722 stock-based compensation.

⁽⁴⁾ an exploration stage company – does not have revenues from operations.

⁽⁵⁾ includes \$ 411,882 stock-based compensation.

The Company's financial statements have been prepared in accordance with generally accepted accounting principles in Canada and all amounts are expressed in Canadian dollars unless otherwise indicated.

Liquidity and Capital Resources

As at November 25, 2005, the Company has working capital of \$400,000 available for general usage. The cash on hand is considered sufficient to meet current obligations including the current diamond drilling program recently completed in El Corazon.

In that regard, the Company will need to raise funds if it wishes to advance its exploration program in Ecuador and the next financing will be influenced by the pending drill results. Good results in the current favourable market conditions will further the Company's ability to raise equity funds.

The functional currency of the Company is the Canadian dollar and to date most new funding has been raised in Canadian dollars. The government of Ecuador uses the US dollar as its currency and all transactions in the country are done in US dollars. The Company is funding the El Corazon operation at an average rate of \$50,000 US a month mainly for camp costs, labour and administration. Contractors for drilling and two expatriate geologists are paid over and above the local costs. This is expected to wind down during the winter rainy season now that the mining camp is shut down.

Mineral Properties and Expenditures

At September 30, 2005, the Company's mineral properties and expenditures thereon were as follows:

	ICE PROJECT	BLACK HORN	RONOKE	EL CORAZON	TOTAL
BALANCE, DEC.31, 2004	\$390,087	\$30,323	\$12,903	\$1,844,415	\$2,277,728
ANALYTICAL SERVICES	-	-	-	26,244	26,244
DRILLING / TRENCHING	-	-	-	403,639	403,639
FIELD SUPPORT	-	-	-	419,252	419,252
GEOLOGY / GEOPHYSICS	-	-	-	168,110	168,110
LAND COSTS	21,889	97,304	(5,000)	22,927	137,120
LOCAL OFFICE	-	-	-	57,710	57,710
LEGAL	-	-	-	73,576	73,576
MAPS AND REPORTS	-	-	-	6,679	6,679
TRAVEL COSTS	-	-	-	48,020	48,020
COSTS FOR YEAR	21,889	97,304	(5,000)	1,226,157	1,340,350
TOTAL COSTS	411,976	127,627	7,903	3,070,572	3,618,078
WRITE OFF OF MINERAL PROPERTY INTERESTS	(411,976)	-	-	-	(411,976)
BALANCE, SEP.30, 2005	-	127,627	7,903	3,070,572	3,206,102

Mineral Exploration Projects***El Corazon gold project, Ecuador***

On July 03, 2003, Skeena announced that it had entered into a Letter of Intent to option an interest in the El Corazon gold project in Ecuador, South America. This road accessible property is located approximately 100 km northwest of Quito at an elevation of approximately 1,000 metres. The terms of the Agreement with Alpha Oil Inc., a private British Columbia corporation, required the Company to issue five million of its common shares (2.5 million in year one - issued), to assume all of Alpha's option obligations as outlined below and, subject to the Company completing a pre-feasibility study by the 4th anniversary of the agreement, pay \$1,500,000 (in cash or the equivalent value in common shares) to earn 100% of Alpha's interest in the Project.

Skeena purchased an Ecuadorean private company, ALPHEC Alpha Ecuador SA ("ALPHEC"), from Alpha Oil effective the date of the El Corazon option. ALPHEC is now a wholly owned subsidiary of Skeena and is operator of the El Corazon project. ALPHEC has one employee, managing director Mr. Alfredo Sebastia, and one contract geologist, Mr. Franklin Saltos. ALPHEC may earn a 50% interest in the property held by the vendor group, Compañía AgroIndustrial El Corazon S.A., a private Ecuadorean company, by making cash payments of US \$4,465,000 (\$315,000 during the first 18 months - paid) over 4 years, exploration expenditures of US \$5,500,000 (\$500,000 during year one - expended) over 4 years, and providing certain technical advice and assistance to AgroIndustrial to operate their small, high-grade underground mine/mill facility. The AgroIndustrial operation will continue to function as a separate entity and will be confined to a limited, pre-determined area and vertical extent within the property, to a maximum of 50 tonnes per day, and to a cumulative total of 33,000 oz. of gold (by mill head-grade calculation). Additionally, the Company has a first right of refusal on any further capitalization of AgroIndustrial and the sale of any shares outside the present shareholder group.

	CASH PAYMENTS TO AGROINDUSTRIAL US\$	CASH PAYMENTS TO ALPHA OIL INC. CAD\$	EXPENDITURES (EXPLORATION COMMITMENTS) US\$	SHARE ISSUANCES TO ALPHA OIL
December 11, 2004	\$ 315,000 paid			2,500,000 issued
December 11, 2005			\$ 500,000 spent	2,500,000
June 11, 2006	\$ 50,000			
December 11, 2006			\$ 1,000,000 spent	
December 11, 2007	\$ 100,000		\$ 1,500,000	
December 11, 2008	\$ 4,000,000	\$ 1,500,000 *	\$ 2,500,000 **	
	\$ 4,465,000	\$ 1,500,000	\$ 5,500,000	\$ 5,000,000

* cash or shares, at Skeena's election.

** includes pre-feasibility study

Mineral Exploration Projects (El Corazon gold project, Ecuador, cont'd...)

The Company is the operator of the exploration project. All of the database and drill core are currently stored on site and are available to the Company.

Blackhorn Property, B.C. - gold

No field activities were undertaken on the project during 2004. In January of 2005, a title dispute arose on certain of the Blackhorn claims between the underlying owner and a third party. On July 14, 2005, the Company announced in a news release the resolution of the title dispute on Blackhorn mineral claims in favour of the Company's vendor. The Company took advantage of this decision to accelerate, and to significantly reduce the final acquisition cost to acquire a 100% interest in both the Blackhorn and Ronoke properties. A \$10,000 cash payment and the issuance of 200,000 shares were made in return for removal of the Net Smelter Return royalty interest and for canceling the cash payment and stock issuance due next year.

Ronoke Claims, B.C. - gold

Crucible Resources Ltd., the optionor, completed a limited prospecting program, sufficient to cover the assessment work requirements, during the fall of 2004.

Ice Claims, Elkford District, S.E. British Columbia

On July 13, 2005, the Company returned the Ice Claims at Elkford in southeast British Columbia to the vendor, Doublestar Resources Ltd. and will subsequently write off the capitalized costs attributed to this project. This had been the Company's last remaining diamond exploration interest.

Related party transactions

During the quarter ended September 30, 2005, a director of the Company provided geological and management services through a personal management company for \$7,000. A company controlled by an officer of the Company provides offices, reception and administrative duties, systems maintenance and office supplies on a shared basis among a group of public and private companies at a cost to the Company of \$2,100 a month.

Investor Relations

The Company has an investor relations service person on a shared basis with Santoy Resources Ltd. and Brett Resources Inc. at a cost to the Company of \$2,500 per month and 100,000 options granted at \$0.54 with a 5 year expiry date. He is tasked with updating and developing websites, dissemination of information and maintaining investor communications.

Other Management's Discussion and Analysis

1. Additional disclosure for venture issuers without significant revenue:

Capital Stock and Distributed Surplus as at November 25, 2005:

Authorized:

100,000,000 common shares without par value

Issued:

37,098,616 common shares with a recorded capital stock value of \$10,833,662 and contributed surplus of \$1,234,179 for a total combined value of \$12,067,841.

Warrants:

- 875,000 exercisable at \$0.53 in year 1 and \$0.58 in year 2, expire Dec.13, 2006
- 1,592,500 exercisable at \$0.75 for 2 years, date of expiry June 25, 2007
- 2,220,000 exercisable at \$0.75 for 2 years, date of expiry July 16, 2007
- 157,800 exercisable at \$0.55 for 1 year, date of expiry June 25, 2006
- 130,500 exercisable at \$0.55 for 1 year, date of expiry July 16, 2006

Other Management's Discussion and Analysis (cont'd...)

1. Stock options:

	Number	Exercise Price	Date of Expiry
	1,605,000	\$0.30	November 21, 2008
	950,000	\$0.52	February 18, 2010
	100,000	\$0.54	April 15, 2010
	<u>2,655,000</u>		

2. Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.
3. The Company filed an up-dated Annual Information Form on SEDAR on May 5, 2005.

Other Information

List of Directors and Officers

Directors

J. Rupert Allan, *Vancouver, BC*
 Ronald K. Netolitzky, *Victoria, BC*
 Peter N. Tredger, *Vancouver, BC*
 Allan Lee Barker, *Whitby, Ontario*
 Kenneth E. MacNeill, *Saskatoon, SK*

Officers

J. Rupert Allan, P.Geol., President & CEO
 Robert V. Matthews, CFO
 Karen A. Allan, CMA, Corporate Secretary

Auditors:

Davidson & Company

Company solicitors:

DuMoulin & Black

Company banker:

HSBC Bank of Canada