

MANAGEMENT DISCUSSION AND ANALYSIS
ANNUAL AND 4TH QUARTER ENDED DECEMBER 31, 2010

*This Management Discussion and Analysis (“MD&A”) is intended to supplement the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2010. This report is as at **April 20, 2011**.*

The Company prepares and files its financial statements and MD&A in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”). All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

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

April 20, 2011

OVERVIEW

Skeena Resources Limited (“the Company”) is a mineral exploration stage corporation that owns a 100% interest in the Tropic copper-platinum-palladium-gold project in Sinaloa State, Mexico. The Company is a reporting issuer in British Columbia, Alberta and Saskatchewan. The Company trades on the TSX Venture Exchange under the symbol SKE.

HIGHLIGHTS AND OVERALL PERFORMANCE

During the year ended December 31, 2010, the Company has focused its attention on advancing the exploration program after successfully acquiring 100% of the Tropic property, a copper-platinum-palladium-gold project in Mexico. A 5,000 metre drill program is underway; initial results are expected in early May.

SKEENA RESOURCES LIMITED
Management Discussion and Analysis

December 31, 2010

MINERAL PROPERTIES AND EXPENDITURES

At December 31, 2010, the Company's mineral properties and expenditures thereon were as follows:

	METS, BC	TAHTE, YK	ANGLO- ROUYN, SK	EL CORAZON	MALPICA, MX	TROPICO, MX	TOTAL
BALANCE, DEC.31, 2008	\$ -	-	\$ 186,043	\$ -	\$ 5,217,565	\$ 354,254	\$ 5,757,862
ANALYTICAL SERVICES	-	-	1,726	-	271	-	1,997
DRILLING/ TRENCHING	-	-	2,130	-	-	-	2,130
FIELD SUPPORT	-	-	263	7,893	39,719	-	47,875
GEOLOGY/ GEOPHYSICS	-	-	7,716	-	27,221	-	34,937
LAND COSTS	2,775	-	50,000	-	464,529	22,275	539,578
LEGAL/OTHER	2,407	-	-	-	67,216	-	69,624
TRAVEL COSTS	-	-	2,856	-	2,543	-	5,399
COSTS FOR YEAR	5,182	-	64,691	7,893	601,499	22,275	701,540
WRITE-OFF MIN. PROPERTY INTERESTS	-	-	(250,734)	(7,893)	(5,819,064)	-	(6,077,691)
BALANCE, DEC 31, 2009	\$ 5,182	\$ -	\$ -	\$ -	\$ -	\$ 376,529	\$ 381,711

	METS, BC	TAHTE, YK	ANGLO- ROUYN, SK	EL CORAZON	MALPICA, MX	TROPICO, MX	TOTAL
BALANCE, DEC 31, 2009	\$ 5,182	-	\$ -	\$ -	\$ -	\$ 376,529	\$ 381,711
ANALYSIS	-	-	-	-	138	401	539
DRILLING/ TRENCHING	-	-	3,230	-	9,304	-	12,534
FIELD SUPPORT	-	14,515	-	-	(4,120)	256,427	266,822
GEOLOGY/ GEOPHYSICS	-	24,582	215	-	9,772	28,979	63,548
LAND COSTS	2,000	61,977	-	-	-	569,085	633,062
COMMUNITY RELATIONS	-	-	-	-	-	25,191	25,191
TRAVEL COSTS	-	-	-	-	3,942	10,733	14,675
COSTS FOR YEAR	2,000	101,074	3,445	-	19,036	890,816	1,016,371
QUIT CLAIM	-	(26,700)	-	-	-	-	(26,700)
CANCELLATION OF SHARES	-	(50,000)	-	-	-	-	(50,000)
GOVT. GRANTS	-	(18,853)	-	-	-	-	(18,853)
WRITE-OFF MIN. PROPERTY INTERESTS	(7,182)	(5,521)	(3,445)	-	(19,036)	-	(35,184)
	(7,182)	(101,074)	(3,445)	-	(19,036)	-	(130,737)
BALANCE, DEC 31, 2010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,267,345	\$ 1,267,345

Tropico Copper-Platinum-Palladium-Gold Project, Mexico

In 2010, the Company acquired the remaining minority interests from three underlying vendors in the previously optioned 27,329 hectare Tropico copper-platinum-palladium-gold project in Sinaloa State, Mexico in order to own

SKEENA RESOURCES LIMITED

Management Discussion and Analysis

December 31, 2010

the property 100%. The majority of the Project was acquired in two Option Agreements; the first with the Virginia Energy (60%) – Almaden Minerals (40%) Joint Venture, and the second with privately-held Minera Cascabel SA de CV (refer to news release dated February 19, 2008). In order to effect a 100% buy-out of these two underlying Agreements, with no further obligations or payments by the Company to the vendors, the Company issued 8 million common shares and 4 million share purchase warrants to the 3 parties, as follows:

	<u>Common shares</u>	<u>Share Purchase Warrants*</u>
Virginia Energy Resources Inc.	3,840,000	1,920,000
Almaden Minerals Ltd.	2,560,000	1,280,000
Minera Cascabel SA de CV	1,600,000	800,000

* 5-year non-transferable share purchase warrants, exercisable at \$0.20/share during the first 2 years and at \$0.50/share during the last 3 years, subject to certain conditions and provisions.

A 2% NSR royalty interest is reserved for the Virginia Energy – Almaden Joint Venture on certain of the lands within the original JV, with half of that interest purchasable for fair market value upon presentation of a feasibility study. A 2% NSR royalty interest is also reserved for Minera Cascabel on the area of that mineral concession known as San Pablo. As the Skeena and Virginia Energy boards are not fully at arm's length, this agreement has been approved by independent committees of both companies.

The Tropico Project, located 25 kilometres north of Mazatlan, Sinaloa, Mexico, covers an east-west trending belt (1 to 3 km wide by greater than 19 km long) of layered mafic/ultramafic rocks that host a number of well documented copper-platinum-palladium-gold occurrences. An extensive program by the Santoy-Almaden joint venture, of soil sampling, ground geophysical surveys, machine trenching and diamond drilling was abruptly terminated prior to completion in 2002 due to depressed metal prices (Cu at \$0.75/lb., Pt at \$590/oz., Pd at \$230/oz., and Au at \$345/oz). The recent surge in metal prices (nearly quadruple the values that drove the initial rush in this area) has again made this a robust exploration play. The strengthened Canadian dollar and the superb local infrastructure (the main rail line, two paved highways, and two major power lines cross the property, and the deep water port of Mazatlan is within 30 km of the main occurrences) have further enhanced the potential for delineating a bulk tonnage open-pit polymetallic resource.

During the late summer and fall of 2010, the Company completed 160 line kilometres of in-fill and extensions to the historic geochemical sampling grid with the acquisition of approximately 3,500 soil samples (generally at 50 metre sample intervals on 100 metre spaced grid lines). Geologic mapping of the new grid area is in progress. An environmental investigation and report has been prepared by an independent Mazatlan-based environmental consulting company, Servicios Profesionales Nautilus, S.C., and submitted to SEMARNAT (Mexican Government Ministry of Environment). Permitting for machine trenching, drill road construction and diamond drilling is now in place. A machine trenching program, initially of 12 trenches totaling approximately 2,000 metres, was partially completed in December, and will again be re-activated in early spring.

A compilation of all of the historic project data in conjunction with the new geologic mapping, the recently completed soil geochemical sampling results, and the re-processed airborne geophysical data (1,000 line kilometers of 100 metre line spacing magnetic and DIGHEM electromagnetic survey) is nearing completion.

In March 2010 Skeena awarded an initial contract for 5,000 metres of NQ diameter core drilling to Maza Diamond Drilling of Mazatlan. The first four holes totaling approximately 1,000 metres had been completed by mid-April. Sample preparation will be done in Guadalajara, Mexico and the final laboratory analyses in Vancouver.

SKEENA RESOURCES LIMITED*Management Discussion and Analysis*

December 31, 2010

Drilling is being directed at the five-kilometre-long Maricela-San Pablo zone, which has previously been explored by 22 trenches and 18 drill holes, and the 1.5-kilometre-long El Pochote zone, which has been investigated by four trenches and two drill holes.

Within the nearly vertically dipping Maricela-San Pablo zone, gaps of 900 metres (at the west end of the zone), 800 metres (internally) and 1,000 metres (at the east end of the zone) have not previously been tested by drilling. All three of these gaps exhibit good geophysical/geological continuity with the main zone, are characterized by numerous trenches with excellent assay results, or display strongly anomalous Cu-Pt-Pd-Au soil geochemical values along their lengths.

Some of the historic trench results are set out in the following table:

Trench No.	Cu (%)	Pt+Pd+Au (g/t)	Width (metres)
MTR-8	0.43	0.63	46.5
MTR-10	0.37	0.48	134.0
MTR-11	0.58	0.78	73.7
MTR-3	0.51	0.55	45.0
MTR-4	0.94	1.07	54.0
MT-02-13	0.64	1.02	85.0
MTR-1	0.72	0.99	72.0
And	0.46	0.83	14.0
And	0.54	0.71	48.0

Some of the better reported drill results from the Maricela-San Pablo zone are also set out in the table below. In many cases, the entire width of the zone appears not to have been tested due to poor or no core recovery in the uppermost 10 to 15 metres of each hole. Of the drill core assayed, true widths of the mineralized horizon are estimated to be in the order of 70 per cent of the reported drill intercepts.

Drill hole No.	Cu (%)	Pt+Pd+Au (g/t)	Width (metres)
M-01-01	0.34	0.48	110.5
M-01-03	0.46	0.64	80.5
M-01-04	0.36	0.55	127.4
SPD-02-01	0.47	0.45	59.0

Some of the reported trench results from the El Pochote zone are as follows:

Trench No.	Cu (%)	Pt+Pd+Au (g/t)	Width (metres)
EPT-02-04	0.37	0.47	42.2
EPD-02-02	0.51	0.80	60.8
EPD-02-01	0.28	0.45	70.0
EPT-02-01	0.51	0.72	63.0

SKEENA RESOURCES LIMITED
Management Discussion and Analysis
December 31, 2010

Two down-dip-oriented drill holes on the north margin of the zone (which still intersected anomalous Cu-Pt-Pd-Au mineralization) failed to properly test these positive trench results.

The historic trench and drill results reported herein are available in numerous SEDAR filings under the profile of Santoy Resources Ltd. (the most recent previous operator of the Tropic project) and are displayed in schematic form on the company's website. This robust, potentially open-pittable, low-strip-ratio, large-tonnage target has become very attractive with the better-than fourfold-plus of metal prices since it last was investigated by drilling and trenching (nine to 12 years ago).

SELECTED ANNUAL INFORMATION

The following table sets forth selected annual information from the audited financial statements for the years ended December 31, 2010, 2009, and 2008:

Year ended	2010		2009		2008	
Loss	\$	⁽¹⁾ (756,918)	\$	⁽²⁾ (6,016,530)	\$	⁽³⁾ (6,337,836)
Basic & diluted loss per share	\$	(0.01)	\$	(0.08)	\$	(0.11)
Total assets	\$	1,543,754	\$	440,598	\$	6,032,585
Long term debt		Nil		Nil		Nil
Cash dividends paid		Nil		Nil		Nil

- ⁽¹⁾ includes \$ 338,311 in stock-based compensation and \$85,185 in write off of mineral property interests in Mexico and British Columbia;
⁽²⁾ includes \$ 95,285 in stock-based compensation and \$6,077,691 in write off of mineral property interests in Mexico and British Columbia;
and
⁽³⁾ includes \$ 288,606 in stock-based compensation and \$5,923,793 in write off of mineral property interests in Ecuador and British Columbia.

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.

Loss at December 31, 2010

During the 4th quarter, the Company incurred losses of \$204,297 (2009 - \$5,808,617 when the Company wrote off the Malpica expenditures) and \$756,918 (2009 - \$6,016,530) for the year. The largest component in the year is stock-based compensation of \$338,311 (2009 - \$95,285), calculated using the Black-Scholes method of valuation. The Company paid \$17,700 (2009 - \$1,800) for investor relations during the quarter and \$62,887 (2009 - \$5,954) for the year ended December 31, 2010, the increase due to increased investor relations activity this year. The Company paid \$21,775 (2009 - \$11,400) for consulting and management fees during the quarter and \$77,800 (2009 - \$49,500) for the year ended December 31, 2010.

SKEENA RESOURCES LIMITED
Management Discussion and Analysis
December 31, 2010

Cash flows at December 31, 2010

During the year ended December 31, 2010, the Company raised \$1,067,500 by way of a private placement and issuing capital stock. During the year, the Company completed \$569,704 in mineral property cash expenditures.

SUMMARY OF QUARTERLY RESULTS

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

Quarter ended	31-Dec-10		30-Sep-10		30-Jun-10		31-Mar-10	
Capitalized property acquisition and exploration costs	\$	273,614	\$	581,166 ⁽²⁾	\$	29,531	\$	1,323
Revenue ⁽¹⁾		-		-		-		-
Gain (loss) for the quarter	\$	(204,297)	\$	(413,002) ⁽³⁾	\$	(71,034)	\$	(68,585)
Gain (loss) per share	\$	(0.00)	\$	(0.00)	\$	(0.00)	\$	(0.00)

Quarter ended	31-Dec-09		30-Sep-09		30-Jun-09		31-Mar-09	
Capitalized property acquisition and exploration costs	\$	(5,960,750) ⁽⁴⁾	\$	39,840	\$	190,051	\$	354,708
Revenue ⁽¹⁾		-		-		-		-
Loss for the quarter	\$	(5,808,617) ⁽⁴⁾	\$	(85,967)	\$	(19,979)	\$	(101,967)
Loss per share	\$	(0.00)	\$	(0.00)	\$	(0.00)	\$	(0.00)

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

⁽²⁾ includes issue of 9,500,000 common shares valued at \$475,000 for mineral property acquisition;

⁽³⁾ includes \$310,280 in stock-based compensation; and

⁽⁴⁾ includes write-off of mineral property interests of \$6,077,691.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2010, the Company had working deficit of \$17,718. The Company raised \$1,067,500 in June of 2010 by issuing 21,350,000 common shares and 21,350,000 warrants exercisable at \$0.10 until June 17, 2011 and \$0.20 until June 17, 2012. Subsequent to the year-end, the Company's warrant holders exercised 7,550,000 warrants set to expire February 27, May 6, 2011 and June 17, 2011 for cash proceeds of \$755,000. Other warrants exercisable at \$0.10 each, due to expire in May and June 2011, if exercised, will yield cash proceeds of \$1,917,000. Although currently able to meet its immediate financial obligations, the Company will need to raise funds or secure financing in order to advance its exploration programs. The Company has been successful raising funds in the past but volatile market conditions can make the environment for raising additional equity financing unfavourable.

SKEENA RESOURCES LIMITED

Management Discussion and Analysis

December 31, 2010

TRANSACTIONS WITH RELATED PARTIES

These related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- (a) The Company paid or accrued consulting fees of \$77,800 (2009 - \$49,500) to companies controlled by directors or officers.
- (b) The Company paid or accrued office and administrative fees to \$19,000 (2009 - \$14,500) to a Company with a common director.
- (c) Included in accounts payable at December 31, 2010 is \$8,129 (2009 - \$119,807), which is due to directors or officers or companies with common directors or officers.
- (d) The Company arranged a loan from a director for \$50,000 (from directors in 2009 - \$120,000) secured by a non-interest-bearing promissory note. The Company issued 200,000 bonus shares to a director (2009 – 480,000 to directors) as loan fees valued at \$10,000 (2009 - \$24,000) .
- (f) Loans for \$170,000 from two directors matured in January 2010 and repayment terms were extended to June 30, 2011 (subsequently repaid).

FORWARD LOOKING STATEMENTS

This information may contain forward-looking statements that involve inherent risks and uncertainties. The Company's actual results may differ significantly from those anticipated in the forward-looking statements and readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly release the results of any revisions to forward-looking statements that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.

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.

SKEENA RESOURCES LIMITED

Management Discussion and Analysis

December 31, 2010

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.

CORPORATE GOVERNANCE

Management of the company is responsible for the preparation and presentation of the annual and interim consolidated financial statements and notes thereto and the accompanying MD&A and other information contained therein. Additionally, it is management's responsibility to ensure the company complies with the laws and regulations applicable to its activities.

The company's management is accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the company.

Responsibility for the reviewing and approving of the company's quarterly unaudited interim and annual consolidated financial statements and related MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors, two of whom are independent of management; this meets requirements for TSX Venture Exchange issuers.

The consolidated financial statements and information in the MD&A necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information we must interpret the requirements described above, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. The MD&A also includes information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results in the future may differ materially from our present assessment of this information because future events and circumstances may not occur as expected.

All relevant information related to the Corporation is filed electronically at www.sedar.com and on the Company's website at www.skeenaresources.com.

CHANGES IN ACCOUNTING POLICY

International Financial Reporting Standards

The Canadian Accounting Standards Board (AcSB) has announced its decision to replace Canadian generally accepted accounting principles ("GAAP") with International Financial Reporting Standards (IFRS) for all Canadian Publicly Accountable Enterprises ("PAEs"). The effective changeover date is January 1, 2011, at which time Canadian GAAP will cease to apply and will be replaced by IFRS. Following this timeline, the Company will issue its

SKEENA RESOURCES LIMITED

Management Discussion and Analysis

December 31, 2010

first set of interim financial statements prepared under IFRS in the first quarter of 2011 including comparative IFRS financial results and an opening balance sheet as at January 1, 2010. The first annual IFRS consolidated financial statements will be prepared for the year ended December 31, 2011 with restated comparatives for the year ended December 31, 2010.

Under IFRS, there is significantly more disclosure required, specifically for quarterly reporting. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that will need to be addressed by management. Management has reviewed its business systems and determined that they are capable of processing and recording the transitional period reporting requirements.

Based on management assessment of the information system currently used by the Company, all information required to be reported under IFRS will be available with minimal system changes. Following are areas that the company has determined to be relevant to its financial reporting.

Deferred mineral property costs

The Company currently expenses all exploration costs incurred until the date of establishing that a property has mineral resources with the potential of being economically recoverable. Under IFRS, development costs incurred subsequent to this date are capitalized until such time as the projects are brought into production or are deemed economically unfeasible. Under IFRS, deferred exploration and evaluation costs can be recognized at cost or at fair value, while Canadian GAAP did not allow for the revaluation of exploration and evaluation assets other than during a business combination. The Company plans to continue to use the cost method and not the revaluation method due to the difficulty in determining accurate fair value information and the effort required to continually monitor fair values.

Impairment of long-lived assets

The requirements under IFRS and Canadian GAAP are similar, other than, under IFRS, the Company must assess whether there is any indication that an asset may be impaired each reporting period.

Property Plant and Equipment

IFRS requires that assets be disaggregated into individual components for amortization purposes and revaluation of property, plant and equipment to fair value is also permitted. The Company currently tracks individual assets with distinct useful lives and depreciates separately. Similar to the deferred mineral property costs, the Company plans to continue to use the cost method and not the revaluation method due to the difficulty in determining accurate fair value information and the effort required to continually monitor fair values.

Share Based Payments

IFRS and Canadian GAAP largely converge on the accounting treatment for share-based transactions with only a few differences. Canadian GAAP allows either accelerated or straight-line method of amortization for the fair value of stock options under graded vesting. Currently, the Company is using graded-vesting method and is compliant with IFRS 2 for all grants and therefore the change to IFRS standards will not have a material impact when transitioning to IFRS.

SKEENA RESOURCES LIMITED

Management Discussion and Analysis

December 31, 2010

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while the Canadian GAAP forfeitures can be recognized as they occur. The Company is currently using the estimate of forfeitures when determining the number of equity instruments expected to vest.

Upon adoption of IFRS 2, the Company will be fully compliant with the new standard and the adoption is not expected to have an impact on the financial statements.

Foreign Currency

IFRS requires that the functional currency of each entity in the consolidated group be determined separately in accordance with IAS 21 and the entity's financial results and position should be measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Currently, the functional currency of the consolidated entity is the Canadian dollar ("CAD") which is also the presentation currency of the Company's financial statements.

As events and conditions relevant to the Company change, management will need to re-consider the primary and secondary indicators, as described in IAS 21, in determining the functional currency for each entity. Going forward under IFRS, management will assess the appropriate functional currency based on existing circumstances, which may have a significant impact on the Company's consolidated financial statements prepared under IFRS.

Future Income Taxes

Like Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity under IFRS subsequent adjustments thereto are backward traded to equity.

IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings. The Company expects the impact of implementing IAS 12, Income Taxes will not have significant impact on the financial statements. However, as events and circumstances of the Company's operations change that give rise to future income taxes, IAS 12 will be applied.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

For interim and annual financial statements relating to fiscal years beginning on or after July 1, 2011, the Company will be required to adopt new CICA Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-controlling Interests*. Section 1582 replaces existing Section 1581, *Business Combinations*, and Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. The adoption of Sections 1582 and collectively Sections 1601 and 1602 provides the Canadian equivalent to IFRS 3, *Business Combination*, and International Accounting Standard IAS 27, *Consolidated and Separate Financial Statements*, respectively. The impact of adopting these new standards has not yet been assessed and cannot reasonably be estimated at this time.

OTHER MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Additional disclosure for venture issuers without significant revenue:

Capital Stock and Distributed Surplus as April 20, 2011:

Authorized:

Unlimited common shares without par value

Issued:

119,783,449 common shares

Warrants:

- 4,126,000 exercisable at \$0.25 for 2 years, date of expiry June 26, 2011 *
- 420,000 exercisable at \$0.10 for 2 years, date of expiry May 06, 2011 **
- 567,000 exercisable at \$0.20 for 1 year, date of expiry June 17, 2011
- 18,750,000 exercisable at \$0.10 until June 17, 2011 and \$0.20 until June 17, 2012 **
- 2,665,722 exercisable at \$0.10 until July 5, 2011 and \$0.20 until July 5, 2012 **
- 4,000,000 exercisable at \$0.20 until September 1, 2012 and \$0.50 until September 1, 2015.

* warrants were extended by 12 months, and re-priced to \$0.25. An accelerator clause reduces the expiry date to 20 days if the stock trades at \$0.30 or greater for 10 consecutive business days.

** an accelerator clause reduces the expiry date to 25 days if the stock trades at \$0.40 or greater for 10 consecutive trading days.

30,528,722 total warrants

Stock options:

Number	Exercise Price	Date of Expiry
200,000	\$0.25	June 28, 2011
600,000	\$0.37	September 02, 2011
280,000	\$0.33	March 19, 2012
1,420,000	\$0.40	September 26, 2012
1,200,000	\$0.30	June 26, 2013
1,950,000	\$0.10	May 14, 2014
250,000	\$0.15	January 11, 2015
<u>4,525,000</u>	<u>\$0.10</u>	<u>September 22, 2015</u>
10,425,000		

Fully diluted:

160,737,171

SKEENA RESOURCES LIMITED

Management Discussion and Analysis

December 31, 2010

OTHER INFORMATION

List of Directors and Officers

Directors

J. Rupert Allan, *Vancouver, BC*
Ronald K. Netolitzky, *Victoria, BC*
Peter N. Tredger, *Vancouver, BC*
David Stone, *Seattle, Washington*
Alfredo Sebastia, *Quito, Ecuador*
Steve Cook, *Vancouver, BC*

Officers

J. Rupert Allan, P.Geol., President & CEO
Karen A. Allan, CMA, Corporate Secretary

Auditors:

Davidson & Company

Company solicitors:

DuMoulin & Black

Company banker:

HSBC Bank of Canada