

MANAGEMENT DISCUSSION AND ANALYSIS

ANNUAL and 4TH QUARTER ENDED DECEMBER 31, 2008

*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, 2008. This report is as at **April 17, 2009**.*

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 17, 2009

OVERVIEW

Skeena Resources Limited (“the Company”) is a mineral exploration stage corporation with an option to acquire a 90% working interest in the advanced Malpica copper-gold molybdenum project in Mexico; an option to acquire a 60% interest in the Tropico copper-platinum-palladium-gold project, also in Sinaloa State, Mexico; and an option to acquire 100% of the METS and Belle gold exploration properties in the Toodoggone District of north-central BC, an option to acquire a 100% interest in the past producing Anglo-Rouyn copper gold mine north of La Ronge, Saskatchewan and an option to acquire a 100% interest in the Anglo-Rouyn Tailings Recovery Project. 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

Subsequent to the year end, the Company was successful in renegotiating its contracts on the Malpica project to defer its \$2,000,000 payment to Grupo Mexico and its \$500,000 payment to Reyna Mining, which were due in October 2008. New terms are discussed in this MD&A in the property section.

In fiscal 2008, the Company completed its \$185,000 of outstanding flow through commitments with a small diamond drill program on its newly acquired Saskatchewan Anglo-Rouyn copper-gold property. The Company subsequently entered into an agreement to acquire a 100% interest in the previously excluded on-site gravity gold-copper-magnetite recovery plant and mine tailings on this same property.

The Company entered into an agreement in February 2008 to earn up to 60% interest in the Tropico Property, a copper-platinum-palladium-gold project in Sinaloa State, Mexico, that includes the technical database. The Company also entered into an option to purchase 100% interest in the interior San Pablo concession internal to the Tropico Property and also acquired two other concessions contiguous with Tropico by direct application to the government and a third concession was acquired from the government by lottery.

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During the fiscal 2008 exploration program, the Company achieved favourable diamond drilling results on the Malpica project and have now committed to undertake a Scoping Study.

Both of the Malpica and Tropico Projects are well situated with respect to infrastructure, being located 30 km east and 20 km north, respectively, of the deep-water port of Mazatlan in Sinaloa State, Mexico. Both properties are crossed by paved highways, by major power lines and both are situated proximal to a regional rail line.

MINERAL PROPERTIES AND EXPENDITURES

At December 31, 2008, the Company's mineral properties and expenditures thereon were as follows:

| | BLACKHORN | RONOKE | EL CORAZON | MALPICA | TROPICO | TOTAL |
|-----------------------------|------------|------------|--------------|--------------|-----------|--------------|
| BALANCE, DEC. 31, 2006 | \$ 128,087 | \$ 7,403 | \$ 5,441,787 | \$ - | \$ - | \$ 5,577,277 |
| ANALYTICAL SERVICES | - | - | 9,791 | 26,129 | - | 35,920 |
| DRILLING / TRENCHING | - | - | - | 109,029 | - | 109,029 |
| FIELD SUPPORT | - | - | 12,286 | 39,396 | - | 51,682 |
| GEOLOGY / GEOPHYSICS | 64,209 | - | 27,167 | 332,244 | 47,776 | 471,396 |
| LAND COSTS | 5,343 | - | 104,719 | 992,866 | - | 1,102,928 |
| LOCAL OFFICE | - | - | 66,832 | 5,179 | - | 72,011 |
| LEGAL | - | - | 14,002 | 4,324 | - | 18,326 |
| STOCK-BASED COMPENSATION | - | - | - | 167,985 | - | 167,985 |
| TRAVEL COSTS | - | - | 7,602 | 3,232 | - | 10,834 |
| COSTS FOR YEAR | 69,552 | - | 242,399 | 1,680,384 | 47,776 | 2,040,111 |
| TOTAL COSTS | 197,639 | 7,403 | 5,684,186 | 1,680,384 | 47,776 | 7,617,388 |
| OPTION PAYMENTS RECEIVED | - | (15,000) | - | - | - | (15,000) |
| BALANCE, DEC.31, 2007 | \$ 197,639 | \$ (7,597) | \$ 5,684,186 | \$ 1,680,384 | \$ 47,776 | \$ 7,602,388 |

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| | BLACK HORN | RONOKE | ANGLO-ROUYN | EL CORAZON | MALPICA | TROPICO | TOTAL |
|--|---------------|------------|-------------|--------------|-------------|------------|-------------|
| BALANCE, DEC.31, 2007 | \$ 197,639 | \$ (7,597) | \$ - | \$ 5,684,186 | \$1,680,384 | \$ 47,776 | \$7,602,388 |
| ANALYTICAL SERVICES | - | - | - | - | 187,418 | - | 187,418 |
| DRILLING / TRENCHING | - | - | 178,543 | 20 | 803,105 | - | 981,668 |
| FIELD SUPPORT GEOLOGY/ GEOPHYSICS | (106) | - | 7,500 | - | 504,327 | 121,154 | 632,875 |
| LAND COSTS | 15,000 | - | - | - | 1,651,092 | 181,278 | 1,847,370 |
| LOCAL OFFICE | - | - | - | 13,102 | 26,901 | 4,046 | 44,049 |
| LEGAL | - | - | - | 4,469 | 7,963 | - | 12,432 |
| TRAVEL COSTS | - | - | - | 319 | 48,734 | - | 49,053 |
| COSTS FOR YEAR | 14,894 | - | 186,043 | 27,074 | 3,343,181 | 306,478 | 3,877,670 |
| TOTAL COSTS | 212,533 | (7,597) | 186,043 | 5,711,260 | 5,023,565 | 354,254 | 11,480,058 |
| WRITE-DOWN OF MIN. PROPERTY INTERESTS | (212,533) | - | - | (5,711,260) | - | - | (5,923,793) |
| SALE OF MINERAL PROPERTY | - | 7,597 | - | - | - | - | 7,597 |
| BALANCE, DEC.31, 2008 | \$ - | \$ - | \$ 186,043 | \$ - | \$5,023,565 | \$ 354,254 | \$5,563,862 |

Malpica copper gold project, Mexico

This 7,718-hectare property, located 40 kilometres east of the deepwater port of Mazatlan and 20 km east of the Mazatlan International airport, is well situated with respect to infrastructure, being crossed by two paved highways and by a major hydro line, and situated within three kilometres of a rail line. To date, over 4,300 geochemical samples have been obtained from 117 line kilometres of 100-metre spaced crosslines. The primary focus of the 2008 program at Malpica was to drill test the open-ended strike and dip extent of the two main mineralized tourmaline breccia pipes, Cerro Tunel and Cerro Pelon, where an historic, non 43-101 resource of 29 million tonnes grading 0.64% copper has been reported. Results from the first hole in the program, SM-01, in an untested area north of Cerro Pelon referred to as Pelon Norte, yielded an intercept of **112 metres grading 0.949 % copper, 0.427 g/t gold, 3.0 g/t silver and 188 ppm molybdenum**. The 2008 drill program verified the non-compliant National Instrument 43-101 inferred resource at the Cerro Pelon and Cerro Tunel tourmaline breccia-hosted copper-gold zones and at explored new geochemical targets in the immediate vicinity of the historic deposits. Results from the first hole in the program, SM-01, in an untested area north of Cerro Pelon, referred to as Pelon Norte, yielded an intercept of **232.9 metres grading 0.88% copper equivalent**.

Analytical results from 6,000 soil samples were obtained over a 130 line kilometre geochemical grid. Strongly anomalous copper in soil (from 240 ppm to > 10,000 ppm), and coincidental gold (from 42 ppb to 2,285 ppb), silver (from 0.6 ppm to 12.6 ppm), antimony (from 1 ppm to 12.5 ppm), and molybdenum (from 5 to >600 ppm) responses are noted over the Cerro Tunel, Cerro Pelon, Pelon Norte and Zona Oeste areas. Geochemical maps are posted on the Company's website.

The Company has initiated preliminary work on a Scoping Study. Data compilation of geologic mapping and soil geochemical sampling with the recently completed helicopter-borne magnetic and multi-frequency electromagnetic

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DIGHEM survey is progressing and additional exploration targets are being delineated. The Company was able to verify prior historic data and achieved sufficient drill density to now commence work on an initial NI 43-101 compliant resource calculation.

The Company has renegotiated the payment schedule to Grupo México which deferred a \$250,000 payment to February 24, 2009 (paid) and a \$2,000,000 payment due in fiscal 2008 to fiscal 2010. **No field activities were undertaken on Malpica during the quarter, and the project is on a care and maintenance basis pending on-going negotiations with the vendor, Grupo Mexico, to restructure the terms and conditions of the original Purchase Agreement.** An “inferred resource” calculation is in its final stages. This would form the basis for a scoping study going forward.

Skeena Mexico’s Agreements with Grupo México and the Company’s Agreement with Reyna Mining with revised payment schedules are as follows:

| | SKEENA MEXICO CASH PAYMENTS TO GRUPO MÉXICO US\$ | SKEENA MEXICO EXPENDITURES (EXPLORATION COMMITMENTS) US\$ | SKEENA CASH PAYMENTS TO REYNA MINING US\$ | SKEENA SHARE ISSUANCES TO REYNA |
|---|---|---|--|---------------------------------------|
| On signing [May 2007] | \$ 250,000 paid | - | \$ 25,000 paid | 1,000,000 issued ⁽¹⁾ |
| 1 year anniversary February 24, 2009 | \$ 1,000,000 paid | \$ 1,500,000 ⁽²⁾ | - | 2,000,000 issued |
| April 6, 2009 | \$ 250,000 paid | - | - | - |
| July 24, 2009 | - | - | - | 2,000,000 ⁽³⁾ |
| January 24, 2010 | \$ 50,000 | - | - | - |
| July 24, 2010 | \$ 1,000,000 | - | - | - |
| January 25, 2011 | \$ 1,000,000 | - | - | - |
| | \$ 7,569,830 ⁽⁴⁾ | - | - | - |
| | \$ 11,119,830 | \$ 1,500,000 | \$ 25,000 | 5,000,000 |

(1) includes 1 million 2-year warrants exercisable at \$0.75;

(2) expenditure commitments met;

(3) issued subsequently; and

(4) includes 4.5% interest [0.38% monthly] on the original payment schedule; financial cost total is \$619,830

Anglo-Rouyn, Saskatchewan

Under the terms of an Option Agreement, subject to regulatory approval, the Company can earn a 100% undivided interest in the 452 hectare Anglo Rouyn copper-gold Mine Property, 35 km northeast of La Ronge, Saskatchewan, exclusive of the mine tailings and any interest in the on-site tailings gold-copper-magnetite gravity recovery plant, from privately held Kristo Gold Ltd. in return for the issuance of 3 million shares of Skeena over a 3 year period (1 million shares upon regulatory approval of the agreement), \$45,000 of cash payments over 3 years (\$15,000 upon signing of the agreement), and expenditures of \$350,000 over three years (\$175,000 in the first year). A 5% Net Profits Interest is reserved for Kristo Gold, payable to a third party. Originally discovered by Cominco in 1929 and developed by Rio Algom Mines in the 1950’s, the mine was in continuous operation from 1966 to 1972. Approximately 2 million tons of ore with an average grade of 1.64% copper, 1.2 g/t gold and 5.5 g/t silver were mined from underground, from a small “glory hole”, and from a small open pit. Total production was reported as 32,750 tons of copper, 471,000 ounces of silver, and 72,000 ounces of gold. At closure, due to low prevailing metal prices, an estimated remaining 220,000 tons of “probable reserves” at a grade of 1.64% copper were reported, and the zones remained open on strike and down dip (the remaining resources are not 43-101 compliant. A qualified person has not done sufficient work to verify these numbers and the reader is cautioned that they are quoted for general context only).

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Since the mine closure, the property has been subjected to a considerable amount of surface exploration, but very little in the way of follow up diamond drilling. In the late 1980's, a program of ground magnetic, VLF electromagnetic, and induced polarization geophysical surveys was completed in conjunction with detailed geological mapping, soil and lithogeochemical sampling, trenching, and structural re-interpretation. A recommended drilling investigation of numerous priority targets, both on-strike and down-dip of the original orebodies in or proximal to the 'mine sequence' stratigraphy, was never undertaken (Saskatchewan Energy & Mines – assessment files).

The four, closely-spaced lenses that comprised the Anglo Rouyn orebodies are contained within Aphebian-age quartzofeldspathic gneisses and metagreywackes underlain by meta-andesite on the flank of the Jepson Lake Granite. In recent years there has been speculation by a number of government geologists that the host rocks are in fact metavolcanics and that the mineralization occurs in a distal facies volcanogenic exhalative. The orebodies appear analogous to syngenetic copper occurrences in meta-arkoses of the Kisseynew Basin Sickle Group in the Lynn Lake area of Manitoba, and to 'Sherridan' type deposits.

Subsequently, the Company negotiated to earn a 100% undivided interest in the previously excluded mine tailings, the gravity/magnetic separation recovery plant, and the 7-unit Atco trailer camp from privately held Anglo Rouyn Tailings Limited Partnership ("ARTLP") in return for the issuance of 4 million shares of Skeena over a 3 year period (2 million shares have been subsequently issued) and \$680,000 of cash payments over 3 years. A 2% Net Smelter Return royalty is reserved for ARTLP, payable to a third party.

In 2003-4 ARTLP acquired a surface lease, permitted the tailings recovery project (including a closure and rehabilitation program), constructed a 4,800 ton/day gravity/magnetic separation plant (two parallel circuits) at a cost of \$1.8 million, installed a slurry pump and 300-metre pipeline from the tailings to the plant, and installed a 21 man Atco trailer camp (including a cookhouse, office, laboratory unit, bunkhouses and washcar). Recoveries did not meet economic expectations and, after two partial operating seasons and numerous engineering modifications, the plant was mothballed at the then prevailing price of gold at \$330/oz.

The Company is completing a verification program of gold grade and grain size distribution of the tailings prior to either re-engineering the plant or undertaking a low-cost, more rudimentary placer-style recovery program using a Bennett Box. The project is still fully permitted and is road accessible.

METS BELLE Properties, British Columbia

The Company entered into a Purchase Agreement with two non-arm's length directors of the Company to earn a 100% interest in a high-grade gold occurrence covered by the historic METS Mining Lease in the Toodoggone precious metals district in north-central British Columbia and the nearby Belle claims for 1 million shares and the reservation of a two percent Net Smelter Return (NSR) royalty interest. The two NSR interests on each property are purchasable at any time for \$750,000 each. An independent committee of the Company reviewed the Agreement, which is subject to regulatory approval.

The main area of interest on the METS Mining Lease, is a tabular core of silicified rock and quartz-barite veining in three separate but genetically related zones; the A zone (and its extension), the Footwall zone, and the 400 South zone. Exploratory work between the mid 1980's and 1992 consisted of various geological and geochemical surveys, excavator trenching, 8,784 metres of diamond drilling and 350 metres of underground development on one level. On this basis, two previous operators calculated a gold resource. These historic tonnages are quoted here for context only, as the calculations are not compliant with current Canadian Securities 43-101 reporting guidelines and will require both verification and updating. The A zone has a strike length of 140 metres, a true thickness of 6 to 10 metres and vertical extent of up to 75 metres. Measured geological resource for the A zone is 143,321 tonnes grading 11.31 grams per tonne gold (Assessment Report 16692, source BC Minfile). Inferred resource for the less tested combined Footwall and N75 zones are 317,485 tonnes grading 11.31 g/t Au (source BC Minfile, Property File - M.E.G. Talk, November 18, 1987).

In 1992 under the "Small Mines" category, Cheni Gold Mines Inc. optioned the Mets property, completed an in-house

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feasibility study, permitted the project, and undertook a brief underground program. Their last re-calculation of the A Zone resource was a "diluted mine reserve" of 53,215 tons grading 11.6 grams per tonne gold. Development material from this deposit was to have been trucked over two field seasons to their nearby Lawyers Mill. The program was abandoned when the French owners of Cheni prematurely shut down their Canadian gold operations. In 1993 the stock-piled development rock was placed back underground, the adit was sealed and the site re-claimed.

The Company will undertake a program of environmental assessment and re-engineering this season in order to again permit the property under the Small Mine section of the British Columbia Mining Act (Health, Safety & Reclamation Code).

El Corazon gold project, Ecuador

On April 17, 2008, the Constitutional Assembly of Ecuador passed a new Mining Mandate. The full impact of this legislation, which included an immediate suspension of exploration and development work, is not yet fully understood. In light of the unilaterally imposed work suspension, the Company has invoked *force majeure* with respect to its Option Agreement with AgroIndustrial. In light of the political uncertainty, the Company has written down capitalized acquisition costs and expenditures totaling \$5,711,260 in this quarter.

There are no outstanding work commitments or option payments due until after revocation of the *force majeure* (ie., after the anniversary date of December 11, 2008) plus the number of months that the force majeure is in effect. No further work is contemplated in Ecuador and the Company is in the process of winding up its subsidiary. No salvage value is anticipated.

SELECTED ANNUAL INFORMATION

The following table sets forth selected annual information from the audited financial statements for the years ended December 31, 2008, 2007, and 2006:

| Year ended | 2008 | | 2007 | | 2006 | |
|--------------------------------|------|----------------------------|------|--------------------------|------|--------------------------|
| Loss | \$ | ⁽¹⁾ (6,337,836) | \$ | ⁽²⁾ (822,522) | \$ | ⁽³⁾ (637,386) |
| Basic & diluted loss per share | \$ | (0.11) | \$ | (0.02) | \$ | (0.02) |
| Total assets | \$ | 5,838,585 | \$ | 9,846,510 | \$ | 6,078,330 |
| Long term debt | | Nil | | Nil | | Nil |
| Cash dividends paid | | Nil | | Nil | | Nil |

⁽¹⁾ includes \$ 288,606 in stock-based compensation and \$5,923,793 in write off of mineral property interests in Ecuador and British Columbia;

⁽²⁾ includes \$ 364,273 in stock-based compensation; and

⁽³⁾ includes \$ 410,006 in stock-based compensation.

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 for the year ended December 31, 2008

During the year ended December 31, 2008, the Company incurred losses of \$6,337,836 (2007 - \$822,522). General and administrative expenses were \$534,178 (2007 - \$855,907), of which \$288,606 (2007 - \$364,273) was stock-based compensation for incentive stock options, consulting fees of \$131,025 (2007 - \$130,140) paid or payable for geological and

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management services, office and other administration costs of \$68,629 (2007 - \$61,983), of which \$30,301 (2007 - \$29,137) was for insurance coverage.

Cash flows for year ended December 31, 2008

In the year ended December 31, 2008, the Company used net cash of \$190,279 (2007 - \$481,484) in operating activities. The Company raised \$1,031,500 (2007 - \$3,283,550) from the proceeds of non-brokered private placement financings, \$nil (2007 - \$195,000) from exercise of options for total cash proceeds of \$1,031,500 (2006 - \$3,478,550). Commission costs for the financings were \$60,650 (2007 - \$157,888) and were netted against share capital. Cash expenditures on resource properties were \$2,808,135 (2007 - \$1,149,065) resulting in a decrease in cash of \$2,031,147 (2007 - increase of \$1,682,831) for total cash of \$48,277 (2007 - \$2,079,424).

Capitalized property expenditures for year ended December 31, 2008

In the year ended December 31, 2008, the Company capitalized \$3,877,670 in property expenditures primarily in Mexico, wrote off \$5,923,793 of mineral property interests in Ecuador and the Blackhorn claims, recorded \$7,597 in the sale of the Ronoke claims for net capitalized mineral property interests of \$2,038,526 (2007 - \$2,040,111).

SUMMARY OF QUARTERLY RESULTS

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

| Quarter ended | 31-Dec-08 | 30-Sep-08 | 30-Jun-08 | 31-Mar-08 |
|--|-----------------------------|------------------|-------------------------------|------------------|
| Capitalized property acquisition and exploration costs | \$ 79,971 | \$ 374,892 | \$ (3,429,105) ⁽²⁾ | \$ 935,716 |
| Revenue ⁽⁵⁾ | - | - | - | - |
| Gain (loss) for the quarter | \$ (376,686) ⁽¹⁾ | \$ 2,140 | \$ (5,906,877) ⁽²⁾ | \$ (56,373) |
| Gain (loss) per share | \$ 0.00 | \$ 0.00 | \$ (0.10) | \$ (0.00) |

| Quarter ended | 31-Dec-07 | 30-Sep-07 | 30-Jun-07 | 31-Mar-07 |
|--|------------------|-----------------------------|------------------|-----------------------------|
| Capitalized property acquisition and exploration costs | \$ 1,214,495 | \$ 284,545 | \$ 468,207 | \$ 57,864 |
| Revenue ⁽⁵⁾ | - | - | - | - |
| Loss for the quarter | \$ (134,192) | \$ (410,694) ⁽³⁾ | \$ (117,586) | \$ (160,050) ⁽⁴⁾ |
| Loss per share | \$ (0.00) | \$ (0.01) | \$ (0.01) | \$ (0.01) |

⁽¹⁾ includes writeoff of mineral property interests of \$212,533 and \$154,358 stock based compensation;

⁽²⁾ includes writeoff of mineral property interests of \$5,699,724;

⁽³⁾ includes \$277,932 stock based compensation;

⁽⁴⁾ includes \$82,904 stock based compensation; and

⁽⁵⁾ this being an exploration stage company, there are no revenues from operations.

Loss for the quarter

During the quarter, the Company incurred losses of \$376,686 of which the larger components were consulting fees of \$25,238 (2007 - \$79,520) for geological and management services.

Cash flows for the quarter

During the quarter, the Company had cash expenditures on resource properties of \$31,605 resulting in a decrease in cash of \$25,293 for total cash of \$43,777.

Capitalized property expenditures for the quarter

During the quarter, the Company capitalized \$79,971 (2007 - \$1,214,495) in property expenditures and acquisition costs.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficit of \$400,117 as at December 31, 2008. The Company must raise funds or secure financing in order to advance its exploration programs and meet its financial commitments. The Company has been successful raising funds in the past but current market conditions make the present environment for raising additional equity financing unfavourable. An inability to raise additional financing may impact the future assessment of the Company as a going concern.

The Company settled certain payables on January 29, 2009 by issuing 2,876,889 common shares of the Company at a deemed value of \$0.075 pursuant to Debt Settlement Agreements to extinguish \$215,767 in payables.

In February 2009, the Company announced a non-brokered private placement of \$1 million (20 million units @ \$0.05 per unit whereby each unit is comprised of one common share and one half of a non-transferable warrant. Each full warrant is exercisable to \$0.10 per common share for a period of two years. The first tranche was completed on February 25 and issued 7,850,000 units for proceeds of \$392,500. The Company paid finders' fees and other issuance costs of \$9,100 and issued 1,400 broker warrants to acquire one common share at \$0.10 for 12 months.

The functional currency of the Company is the Canadian dollar and to date most new funding has been raised in Canadian dollars. Although Mexico currency is in pesos, much business, particularly with international contractors, is transacted in US dollars and funds are advanced to Mexico in US dollars where they are converted to pesos.

TRANSACTIONS WITH RELATED PARTIES

The Company has monthly consulting service arrangements with two of its officers, one of whom is also a director. The CEO was paid \$9,000 per month by an agreement that can be terminated at any time by the Company by paying one year's compensation. This was temporarily reduced to \$2,500 per month in January 2009.

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 employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Finally, operating in a specific country has legal, political and currency risks that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

Management's responsibility for financial information

The Company's management is responsible for presentation and preparation of the interim consolidated financial statements and the Management's Discussion and Analysis ("MD&A"). The interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

The MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

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.

RECENT ACCOUNTING PRONOUNCEMENTS

Goodwill and Intangible Assets

The CICA issued a new accounting standard, Section 3064 “Goodwill and Intangible Assets” which will replace the existing Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This standard is effective for the Company’s interim and annual consolidated financial statements commencing January 1, 2009. The adoption of this standard is not expected to have a material impact on the Company’s consolidated financial statements.

International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company is reviewing the significant IFRS differences to identify the key areas which are likely to be impacted by the accounting policy change. After which, the Company will perform a more detailed review of the impact of IFRS on the Company’s consolidated financial statements and other areas of the Company. Any changes required to systems and controls will be identified.

While the Company has begun assessing the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

Credit Risk and the Fair Value of Financial Assets and Liabilities

In January 2009 the Emerging Issues Committee (“EIC”) issued EIC-173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities”. This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. This new standard is effective for the Company’s interim and annual consolidated financial statements commencing January 1, 2009. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

CHANGES IN ACCOUNTING POLICY

On January 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections. The adoption of these new pronouncements did not effect the

Company's financial position or results of operation. The new standards and accounting policy changes are as follows:

Section 1400 – Assessing Going Concern

CICA Handbook Section 1400 was amended to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

Section 1535 – Capital Disclosures

This Section requires the disclosure of qualitative and quantitative information that enables the users to evaluate the Company's objectives, policies and processes for managing capital as well as the implications of non-compliance.

Section 3862 – Financial Instruments – Disclosures

This Section requires the Company to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Disclosures required by this standard are included in Note 12.

Section 3863 – Financial Instruments – Presentation

This Section was issued to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The initial adoption of this standard did not have an effect on the consolidated financial statements.

OTHER MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Additional disclosure for venture issuers without significant revenue:

Capital Stock and Distributed Surplus as April 17, 2009:

Authorized:

Unlimited common shares without par value

Issued:

76,097,727 common shares (subsequent to Anglo Rouyn acquisition approved January 12, 2009, debt settlement approved January 20, 2009 and certain other anniversary property issues.)

Warrants:

- 1,000,000 exercisable at \$0.75 for 2 year, date of expiry May 29, 2009

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- 200,000 exercisable at \$0.65 for 2 years, date of expiry May 29, 2009
- 3,791,000 exercisable at \$0.75 for 2 years, date of expiry June 29, 2009
- 4,126,000 exercisable at \$0.45 for 2 years, date of expiry June 26, 2010
- 122,500 exercisable at \$0.45 for 1 years, date of expiry June 26, 2009
(application pending to extend all warrants by 12 months, and re-price to \$0.25)

9,239,500 total warrants

Stock options:

| Number | Exercise Price | Date of Expiry |
|------------------|----------------|--------------------|
| 650,000 | \$0.52 | February 18, 2010 |
| 100,000 | \$0.54 | April 15, 2010 |
| 300,000 | \$0.25 | December 21, 2010 |
| 200,000 | \$0.25 | June 28, 2011 |
| 850,000 | \$0.37 | September 02, 2011 |
| 280,000 | \$0.33 | March 19, 2012 |
| 1,970,000 | \$0.40 | September 26, 2012 |
| <u>1,200,000</u> | \$0.30 | June 26, 2013 |
| 5,550,000 | | |

Fully diluted:

91,887,227**OTHER INFORMATION*****List of Directors and Officers******Directors***

J. Rupert Allan, *Vancouver, BC*
Ronald K. Netolitzky, *Victoria, BC*
Peter N. Tredger, *Vancouver, BC*
Alan Lee Barker, *Whitby, Ontario*
David Stone, *Seattle, Washington*

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