

## Skeena Announces Upgraded Pit Constrained Resource Estimate for Eskay Creek

Vancouver, BC (February 28, 2019) Skeena Resources Limited (TSX.V: **SKE**, OTCQX: **SKREF**) (“Skeena” or the “Company”) is pleased to announce an updated Mineral Resource Estimate (MRE), for the Eskay Creek Project (“Eskay Creek”), which has been reviewed and validated by SRK Consulting (Canada) Inc (“SRK”). The updated 2019 MRE has a larger component of pit constrained resources than the 2018 MRE which was principally reported as underground resources. Remaining mineralization below the optimized resource reporting pit shell with reasonable prospects of economic extraction by underground mining methods is reported accordingly. The effective date of this MRE is February 28, 2019 and a new technical report will be filed on the Company’s website and SEDAR within 45 days of this disclosure.

### Updated 2019 Pit Constrained Resource Estimate

The pit constrained *Indicated* resource includes **2.46 million** gold equivalent ounces within 12.7 million tonnes at an average gold equivalent grade of 6.0 g/t. The pit constrained *Inferred* resource includes **1.23 million** gold equivalent ounces within 13.6 million tonnes at an average gold equivalent grade of 2.8 g/t.

Table 1: *Indicated and Inferred pit constrained resources reported at a 0.7 g/t AuEQ cut-off grade.*

	TONNES (000)	GRADE			CONTAINED OUNCES		
		AUEQ	AU	AG	AUEQ	AU	AG
		G/T	G/T	G/T	OZ (000)	OZ (000)	OZ (000)
<b>TOTAL INDICATED</b>	12,711	6.0	4.5	117	2,455	1,818	47,791
<b>TOTAL INFERRERD</b>	13,557	2.8	2.2	42	1,230	984	18,455

### Updated 2019 Underground Resource Estimate

The underground *Indicated* resource estimate includes **218,000** gold equivalent ounces within 819,000 tonnes at an average gold equivalent grade of 8.2 g/t. The underground *Inferred* resource estimate includes **78,000** gold equivalent ounces within 295,000 tonnes at an average gold equivalent grade of 8.2 g/t.

Table 2: *Indicated and Inferred underground resources reported at a 5.0 g/t AuEQ cut-off grade.*

	TONNES (000)	GRADE			CONTAINED OUNCES		
		AUEQ	AU	AG	AUEQ	AU	AG
		G/T	G/T	G/T	OZ (000)	OZ (000)	OZ (000)
<b>TOTAL INDICATED</b>	819	8.2	6.4	139	218	169	3,657
<b>TOTAL INFERRERD</b>	295	8.2	7.1	82	78	68	778

### 2019 Resource Estimate – Additional Considerations

To constrain the pit optimization, the Company requested the application of a Mining Cost Adjustment Factor (MCAF) to certain blocks in the resource model to limit the ultimate depth of the resource reporting pit. The applied MCAF resulted in a tightly constrained resource reporting pit shell with a maximum depth of only 230 meters below surface. Due to the resource being advantageously located

below a topographic ridge, the average maximum depth below surface of the pit constrained resources is only 180 meters resulting in a modest strip ratio of 7.5:1.

Table 3: Combined pit constrained and underground resources.

	TONNES (000)	GRADE			CONTAINED OUNCES		
		AUEQ	AU	AG	AUEQ	AU	AG
		G/T	G/T	G/T	OZ (000)	OZ (000)	OZ (000)
<b>INDICATED</b>							
<b>PIT CONSTRAINED</b>	12,711	6.0	4.5	117	2,455	1,818	47,791
<b>UNDERGROUND</b>	819	8.2	6.4	139	218	169	3,657
<b>INFERRED</b>							
<b>PIT CONSTRAINED</b>	13,557	2.8	2.2	42	1,230	984	18,455
<b>UNDERGROUND</b>	295	8.2	7.1	82	78	68	778
<b>TOTAL INDICATED</b>	13,530	6.1	4.6	118	2,673	1,987	51,448
<b>TOTAL INFERRED</b>	13,852	2.9	2.3	43	1,308	1,052	19,233

The majority of remaining mineralization at Eskay Creek is hosted in the rhyolite facies feeder structures which are not enriched in the exhalative epithermal suite of elements (Hg-As-Sb). Preferential historical development and mining of the bonanza grade mineralization hosted in the mudstone has resulted in extensive depletion of resources in this rock type. The 2019 pit constrained MRE indicates that on a tonnage weighted basis, 70% of the contained gold equivalent ounces are hosted within the rhyolite facies with only 30% hosted in the remaining unmined mudstone.

The metallurgical process recovery assumptions which were applied to the pit optimizations and to the calculations to determine cut-off grades for reasonable prospects of economic extraction are well founded from historical Eskay Creek mill recoveries. Averaged across all rock types, gold recovery was 80% and silver recovery was 92%. It is noteworthy that liberation of free milling gold is excellent as demonstrated by the historical gravity gold recoveries which ranged from 10-30%.

The 2019 MRE was derived from 7,583 historical surface and underground diamond drill holes totalling 651,332 meters, with an additional 46 surface diamond drill holes completed by Skeena in 2018 totalling 7,738 meters.

### **Eskay Creek Deposit Mineral Resource Estimate Notes:**

The mineral resources disclosed in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) standards on mineral resources and reserves definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council

- Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves.
- As defined by NI 43-101, the Independent and Qualified Person for the Eskay Creek MRE is Sheila Ulansky P.Geo., of SRK Consulting (Canada) Inc. who has reviewed and validated the Eskay Creek MRE. The effective date of the MRE is February 28, 2019.
- Resources are reported in-situ and diluted for the pit constrained scenario and undiluted for the underground scenario; both are considered to have reasonable prospects for economic extraction.
- In accordance with NI 43-101 recommendations, the number of metric tonnes was rounded to the nearest thousand. Any discrepancies in the totals are due to rounding effects.
- Metal prices used for the AuEQ calculation are US\$1,275 per ounce of gold, and US\$17.00 per ounce of silver.  $AuEQ = Au (g/t) + [Ag (g/t)/75]$ .
- Historical metallurgical recoveries of 80% AuEQ were utilized in the determination of cut-off grades for underground resources.
- The calculated pit constrained cut-off grade was determined to be 0.7 g/t AuEQ and the underground cut-off grade was determined to be 4.5 g/t AuEQ. Cut-off grades must be re-evaluated considering prevailing market conditions (including gold prices, exchange rates and costs).
- At the request of the Company, the underground resources are reported at a higher cut-off grade of 5.0 g/t AuEQ as opposed to the calculated 4.5 g/t AuEQ.
- Block tonnage was estimated from volumes using a bulk density formula that was applied using interpolated lead, zinc, copper and antimony grades. This density formula was derived from the historic operator based on comparisons between actual measurements and analyses at the Eskay Creek Mine.  $SG = (Pb + Zn + Cu + Sb) \times 0.03491 + 2.67$  (where all metals are reported in percent).
- Two models were constructed in a two-stage process: a pit constrained model using a 9 x 9 x 4 meter block size using 2 meter capped composites was estimated in stage one, and an underground model using a 3 x 3 x 2 meter block size using 1 meter capped composites was estimated in stage two.
- All ten mineralization domains were estimated in stage one and that proportion of mineralization captured in the optimized pit were reported as pit constrained resources. The mineralization domains below the level of the optimized pit were estimated in stage two and reported as resources amenable for underground extraction.
- Mineralization domains were created in Leapfrog Geo™ (Seequent) using Indicator RBF Interpolants and utilizing a cut-off grade of 0.5 g/t AuEQ and a probability of 50%. The domains were split according to two primary lithology types: (1) rhyolite and (2) mudstone and andesite combined. Domains were further refined by means of separating into major fault block and historical mining zones. Each domain was modified or reassessed individually to consider presiding mineralization features.

- A 3.0 meter hard boundary around all underground working was constructed so that high grade composites from within mined out areas had limited influence. The 3.0 meter limiting domain was utilized in both the pit constrained and underground estimation models.
- Grade capping was performed on each lithology-split domain using 1.0 meter down the hole composites that honoured mineralized domain boundaries. Small composites less than 0.5 meters were merged with the previous sample.
- Gold capping values ranged from 10 to 900 g/t and silver capping values ranged from 600 to 30,000 g/t. A total of 190 and 418 samples were capped for gold and silver, respectively. Preliminary Ordinary Kriged (OK) block models were run using (1) capped and (2) uncapped 1.0 meter composites to determine the percent metal lost per estimation domain. Capping values were subsequently readjusted to ensure that capping was neither too severe nor too lenient. The 2.0 meter composites utilized for the pit constrained model inherited the capped values established from the 1.0 meter composites.
- Gold and silver variograms were used to determine the spatial relationship of composites over distance. One-meter composites established the primary orientation, nugget, sills and ranges per domain, and were used to estimate the mineralization domains in the underground model. Variograms for 2.0 meter composites were updated for nugget and first sill and were used to estimate the domains in the pit constrained model.
- Ordinary Kriging was used for the estimation of gold and silver in all domains. Resources were estimated using Maptek Vulcan™ 11.0.1 using sub-blocking capabilities of 3 x 3 x 2 meter cell sizes for the pit constrained model, and 1 x 1 x 1 meter cell sizes for the underground model.
- Search orientations were modified with Dynamic Anisotropy using a surface which mimicked the local lithological units. Dynamic Anisotropy was used for all domains except for Zone 22, Pumphouse and Zone 109 where the variogram model was appropriate.
- The mineral resources were estimated using two passes with increasing search radii based on variogram ranges. Pass 1 approximated 90% of the range of the variogram; Pass 2 equalled two times the range of the variogram.
- In the pit constrained model, Pass 1 used a minimum of 5 composites and a maximum of 15 composites. Pass 2 used a minimum of 3 composites and a maximum of 15 composites. In the underground model Pass 1 used a minimum of 5 composites and a maximum of 10 composites. Pass 2 used a minimum of 3 composites and a maximum of 10 composites. For both models, a maximum of 2 composites per hole were specified.
- Hard boundary interpolations were honoured except for domains having the same orientation and structure but split by lithology; between these zones soft boundary estimation was applied.
- A waste model was estimated using Inverse Distance Squared (ID<sup>2</sup>) methodology using 2 meter capped composites. Five waste domains were partitioned and anisotropy and ranges within each waste domain were inherited from the nearest mineralization domain. One estimation pass using 100% of the range was allocated using a minimum of 3 composites and a maximum of 10 composites. A maximum of 2 composites per hole were specified. Only coherent waste zone blocks were included into the Inferred category.
- Indicated and Inferred resources were classified according to interpolation Passes 1 and 2, respectively.
  - The Indicated category is defined by blocks interpolated from Pass 1 for gold using a minimum of 3 holes and a maximum distance of 43 meters to a drill hole showing reasonable geological and grade continuity. In areas where blocks were interpolated

- during Pass 1 where continuity is lacking, or blocks were isolated, the blocks were reclassified to *Inferred* on a visual basis.
- The *Inferred* category is defined by blocks interpolated from Pass 2 for gold using a minimum of 2 holes and a maximum distance to a drill hole composite of 95 meters.
  - In consultation with SRK's geotechnical team who reviewed the documentation on fill-type used previously at the Eskay Creek Mine, an exclusion buffer of 3.0 meters surrounding the underground workings for the underground model was specified, whereas a buffer of 1.0 meters surround the underground workings in the proposed pit constrained model was adopted. Estimated mineralization that occurs within these buffers is not included in this MRE.
  - Estimates use metric units (meters, tonnes and g/t). Metal contents are presented in troy ounces (metric tonne x grade / 31.10348).
  - Neither the Company, nor SRK, is aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect this mineral resource estimate.
  - The abundance and significance of As, Hg and Sb are unknown but currently under evaluation.
  - The quantity and grade of reported Inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to re-define the Inferred mineral resources as Indicated mineral resources. It is uncertain if further exploration will result in upgrading them to the Indicated mineral resources category.

*Table 4: Pit constrained scenario assumptions for determining cut-off grades with reasonable prospects of economic extraction.*

INPUT PARAMETERS	VALUE	UNIT
PIT WALL ANGLES	45	DEGREES
REFERENCE MINING COST	\$ 2.00	US DOLLARS PER TONNE MINED
MINING RECOVERY	95	PERCENT
MINING DILUTION	5	PERCENT
PROCESSING COST	\$ 15.00	US DOLLARS PER TONNE PROCESSED
GENERAL AND ADMINISTRATION	\$ 5.75	US DOLLARS PER TONNE PROCESSED
PROCESS RECOVERY AU	80%	PERCENT
PROCESS RECOVERY AG	90%	PERCENT
SELL PRICE AU	\$ 1,275.00 X (0.95)	US DOLLARS PER OUNCE (95% PAYABLE)
SELL PRICE AG	\$ 17.00 X (0.95)	US DOLLARS PER OUNCE (95% PAYABLE)
TRANSPORTATION/REFINING COSTS	\$ 25.00	US DOLLARS PER OUNCE AUEQ
COMBINED STRIP RATIO	7.5:1	UNITLESS

Table 5: Underground scenario assumptions for determining cut-off grades with reasonable prospects of economic extraction.

INPUT PARAMETERS	VALUE	UNIT
REFERENCE MINING COST	\$ 79.25	US DOLLARS PER TONNE MINED
PROCESSING COST	\$ 15.00	US DOLLARS PER TONNE MILLED
GENERAL AND ADMINISTRATION	\$ 5.75	US DOLLARS PER TONNE MILLED
PROCESS RECOVERY AU	80%	PERCENT
PROCESS RECOVERY AG	90%	PERCENT
SELL PRICE AU	\$ 1,275.00 X (0.95)	US DOLLARS PER OUNCE (95% PAYABLE)
SELL PRICE AG	\$ 17.00 X (0.95)	US DOLLARS PER OUNCE (95% PAYABLE)
TRANSPORTATION/REFINING COSTS	\$ 25.00	US DOLLARS PER OUNCE AUEQ

### Eskay Creek Mineralization

The Eskay Creek deposits represent a shallow water, bimodal volcanic sequence hosted in a fault bounded basin with an epithermal VMS signature. Rhyolite facies volcanics are overlain by mafic volcanics with a clastic mudstone occurring at the contact between the two volcanic episodes. This mudstone represents the period of quiescence between the two volcanic events and is spatially and temporally related to the main mineralizing event at Eskay Creek. The epithermal suite of elements (Hg-Sb-As) and bonanza precious metal grades dominantly occur at this interface but are not homogeneously distributed throughout the mudstone. Rather, they are spatially associated with vents fed from underlying synvolcanic feeders.

Due to the higher precious metal tenor of the mudstone-hosted mineralization, the vast majority of historical production at Eskay Creek occurred within this rock type whilst the rhyolite-hosted feeder style mineralization was less developed due to its lower Au-Ag grades. Rhyolite-hosted mineralization is not enriched in Hg-Sb-As and was often blended with mudstone-hosted zones to reduce smelter penalties for the on-site milled concentrates and Direct Shipped Ore (DSO).

### Qualified Persons

The Independent and Qualified Person for the Eskay Creek MRE is Sheila Ulansky P.Geo., of SRK Consulting (Canada) Inc. (Vancouver), who has reviewed, validated and approved the Eskay Creek MRE as well as the technical disclosure in this release. In accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects, Paul Geddes, P.Geo. Vice President Exploration and Resource Development, is the Qualified Person for the Company and has validated and approved the technical and scientific content of this news release. The Company strictly adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting its activities on its various exploration projects.

### About Skeena

Skeena Resources Limited is a junior Canadian mining exploration company focused on developing prospective precious and base metal properties in the Golden Triangle of northwest British Columbia, Canada. The Company's primary activities are the exploration and development of the past-producing Snip mine and the optioned Eskay Creek mine. In addition, the Company has completed a Preliminary Economic Assessment on the GJ copper-gold porphyry project.

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



Walter Coles Jr.  
President & CEO

**Cautionary note regarding forward-looking statements**

*Certain statements made, and information contained herein may constitute “forward looking information” and “forward looking statements” within the meaning of applicable Canadian and United States securities legislation. These statements and information are based on facts currently available to the Company and there is no assurance that actual results will meet management’s expectations. Forward-looking statements and information may be identified by such terms as “anticipates”, “believes”, “targets”, “estimates”, “plans”, “expects”, “may”, “will”, “could” or “would”. Forward-looking statements and information contained herein are based on certain factors and assumptions regarding, among other things, the estimation of mineral resources and reserves, the realization of resource and reserve estimates, metal prices, taxation, the estimation, timing and amount of future exploration and development, capital and operating costs, the availability of financing, the receipt of regulatory approvals, environmental risks, title disputes and other matters. While the Company considers its assumptions to be reasonable as of the date hereof, forward-looking statements and information are not guarantees of future performance and readers should not place undue importance on such statements as actual events and results may differ materially from those described herein. The Company does not undertake to update any forward-looking statements or information except as may be required by applicable securities laws.*

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