Skeena Closes Eskay Creek Royalty For C$27m

Skeena Resources (TSX / NYSE: SKE)

Has closed a royalty sale with Franco-Nevada Corporation pursuant to which Skeena granted a 0.5% net smelter returns royalty on the Eskay Creek gold-silver Project to Franco-Nevada in exchange for a closing cash consideration of C$27 million and contingent cash consideration of C$1.5 million.



Skeena Resources – Eskay Creek drilling, Golden Triangle, B.C. Canada.

Skeena Resources	TSX: SKE
Stage	Development + Exploration
Metals	Gold, silver
Market cap	C$627 million @ C$8.28
Location	Golden Triangle, British Columbia

Comment

After ignoring Skeena for years at various conferences due to the fact that they had a high market cap and I considered I'd missed the boat, I finally met them at Mines and Money last December, and at the current market cap I have to agree they now look interesting.

This news about a royalty sale to Franco-Nevada, a top royalty company, validates the potential that Skeena has in my opinion.

Skeena is added to our tier 2 watchlist.

SKEENA CLOSES SALE OF ROYALTY ON ESKAY CREEK FOR C$27 MILLION

January 3, 2023
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NR: 23-01

Vancouver, BC (January 3, 2023) Skeena Resources Limited (TSX: SKE, NYSE: SKE) ("Skeena" or the "Company") is pleased to announce that the Company has closed a royalty sale (the "Royalty Transaction") with Franco-Nevada Corporation ("Franco-Nevada") pursuant to which Skeena granted a 0.5% net smelter returns royalty ("NSR") on the Eskay Creek gold-silver Project ("Eskay Creek" or the "Project") to Franco-Nevada in exchange for a closing cash consideration of C$27 million and contingent cash consideration of C$1.5 million.

As highlighted in the Company's September 26, 2022 news release, Skeena repurchased this 0.5% NSR from Barrick Gold Corporation after it was initially granted in connection with the acquisition of Eskay Creek.

The Royalty Transaction was signed and closed concurrently on December 30, 2022. In connection with this transaction, Skeena terminated Franco-Nevada's right of first refusal to purchase a 0.5% NSR on Eskay Creek, which right was granted to Franco-Nevada on December 24, 2021.

The net proceeds of the Royalty Transaction will be used by the Company to fund exploration and development activities at Eskay Creek and for general administration and corporate purposes.

About Skeena Resources

Skeena Resources Limited is a Canadian mining exploration and development company focused on revitalizing the past-producing Eskay Creek gold-silver mine located in the Golden Triangle of northwest British Columbia, Canada.

The Company released a Feasibility Study for Eskay Creek in September 2022 which highlights an open-pit average grade of 4.00 g/t Au Eq, an after-tax NPV5% of C$1.4B, 50% IRR, and a 1-year payback at US$1,700/oz Au and US$19/oz Ag.

Skeena is currently continuing exploration drilling at Eskay Creek.

To read the full news release, please click HERE

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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