

Ticker: SKE CN	3Q25 cash+raise: C\$245m	Project: Eskay Creek
Market cap: C\$5.0bn	Price: C\$41.60/sh	Country: Canada, BC
REC. (unc): BUY	TARGET (unc): C\$53/sh	RISK RATING (unc): HIGH

Today's receipt of the Environmental Management Act (EMA) permit for the Eskay Creek Project (100%, BC) importantly marks the final regulatory approval required to advance Eskay towards a production scenario. Following last week's receipt of both British Columbia Mines Act Permit and the Federal Impact Assessment Approval, the project is now fully permitted and formally derisked. With the permitting process in the rear now and funding already secured, the focus shifts to construction execution (incl. ramping up of project workforce, facilities construction, and early-stage mining/stockpiling etc.). Skeena impressively has continued to maintain project timelines with first production in 2Q27, with the team having strategically advanced early works under the bulk sample permit issued in December 2024. Hence, we see visibility on a near-term producer re-rate, not dissimilar to peer Artemis in our view, that transformed from <\$1B MCap at receipt of BC Mines Act permit to \$3.5B at first gold pour. Bottom line: The pathway to operation is clearer than ever with first production targeted for 2Q27. For now, **we maintain our BUY rating and our C\$53.00 price target** based on 0.9x NAV5%-3,600-50 for the group including a nominal US\$75/oz for Snip. Stepping back, we currently model Eskay creek as a 450kozpa AuEq asset in the first 5 years at ~US\$780/oz co-product AISC generating US\$7.7bn NPV5%. The stock is currently trading at 0.70x P/NAV (0.53x at spot) with a pathway to re-rate into a producer with upside potential from a strong precious metal environment (DFS based on 1,700/oz Au & 19.00/oz Ag vs spot ~5,000/oz Au & ~US\$110/oz Ag), bringing Snip into development plans (823koz @ 9.35g/t indicated UG resource), and other low-hanging technical improvements (e.g. concentrate payabilities / pit slopes).

Full steam ahead on Eskay Creek construction; First production targeted for 2027

Today, Skeena announced the receipt of its Environmental Management Act (EMA) permit for the Eskay Creek Project (100%, BC) following the approval from both the B.C. Ministry of Environment and Parks and Tahltan Central Government. The EMA permit is the final regulatory approval required for the development and operation of the Project. The EMA application was submitted as part of a joint application together with the B.C. Mines Act Permit received last week. Construction is ongoing at Eskay Creek with production targeted for 2027.

Why we like Skeena

1. Eskay pitable 4.6Moz @ 3.6g/t P&P / 324koz pa LOM @ US\$684/oz AISC 3Q23 DFS
2. Tahltan Nation support with IBA approval
3. Scarcity value on 'build ready' assets of scale in Canada
4. Snip (823koz @ 9.35g/t indicated UG resource) upside

Catalysts

1. 2026: Project execution and construction
2. 2Q27: First production

Research

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Ticker: SKE CN	Price / mkt cap: C\$41.6/sh, C\$5035m	Group PNAV today: 0.70x	Asset: Eskay Creek / Snip
Author: B Gaspar	Rec / 0.9xNAV PT: BUY, C\$53/sh	1xNAV _{1Q26} FF FD: C\$58.94/sh	Country: Canada: BC

Commodity price	CY25E	CY26E	CY27E	CY28E	CY29E	Resources	AuEq (koz)	AuEq (g/t)
Gold price	2,387	3,441	4,050	3,800	3,600	Pittable resource	5631koz	3.46g/t
SOTP project valuation*						Underground resource	393koz	5.86g/t
	C\$m	O/ship	NAVx	C\$/sh		Snip	937koz	9.00g/t
Ungeared proj. @ 1Q26	7,674	100%	1.00x	58.73		Funding: uses		
Cash 3Q25 + Raise	245	100%	1.00x	1.87		Funding: sources		
Cash from options	70	100%	1.00x	0.53		SCPe remaining build capex	C\$397m	Cash + ITM options C\$315m
G&A and finance costs (C\$m)	(294)	100%	1.00x	(2.25)		SCPe G&A to 1st Au	C\$26m	Orion Debt C\$486m
Snip (US\$75/oz)	98	100%	1.00x	0.75		SCPe pre-production expl'n	C\$3m	Orion Stream C\$0m
Asset NAV5% C\$3600/oz	7,792			59.6		SCPe finance costs + wkg cap to Y1	C\$285m	Orion over-run C\$136m
*Shares diluted for options and mine build						Total uses	C\$711m	Build Equity C\$0m
Market P/NAV 0.70x						Total proceeds C\$937m		
Share data						Buffer C\$226m		
Basic shares (m)	121.0	FD with build equity raise						
FD with options (m)	130.7							

*Shares diluted for options and mine build

Market P/NAV 0.70x

Share data

Basic shares (m) 121.0 FD with build equity raise 130.7

FD with options (m) 130.7

Asset value: 1xNPV project @ build start (C\$m, ungeared)*

Project NPV (C\$m)* \$3100oz \$3600oz \$4300oz \$5000oz \$5700oz

10.0% discount 5,073 6,066 7,442 8,805 10,160

7.5% discount 5,677 6,803 8,364 9,912 11,451

5.0% discount 6,389 7,674 9,457 11,227 12,987

Ungeared project IRR: 0% 0% 0% 0% 0%

Project NPV (C\$/sh)* \$3100oz \$3600oz \$4300oz \$5000oz \$5700oz

10.0% discount 38.82 46.43 56.96 67.39 77.76

7.5% discount 43.45 52.07 64.01 75.86 87.64

5.0% discount 48.89 58.73 72.38 85.92 99.39

*Project level NPV, excl finance costs and central SG&A, discounted to build start

Group valuation over time^ Mar-26 Jun-27 Mar-28 Mar-29 Mar-30

Eskay Creek (C\$m) 7,674 8,569 7,805 6,898 5,870

Net cash prior qtr (C\$m) 154 (199) 880 2,150 3,523

G&A and finance costs (C\$m) (294) (219) (173) (123) (88)

Cash from options (C\$m) 70 70 70 70 70

Snip 98 98 98 98 98

NAV FF FD (C\$m) 7,701 8,318 8,680 9,093 9,472

1xNAV_{5%}/sh FF FD (C\$/sh) 58.94* 63.66* 66.43* 69.59* 72.49*

Gearing company 1xNAV when in production

1xNAV FF FD (C\$/sh)^ \$3100oz \$3600oz \$4300oz \$5000oz \$5700oz

10.0% discount 6,386 7,589 9,255 10,905 12,545

7.5% discount 6,794 8,097 9,902 11,692 13,472

5.0% discount 7,261 8,680 10,648 12,601 14,544

Gearing project IRR: 0% 0% 0% 0% 0%

1xNAV FF FD (C\$/sh)^ \$3100oz \$3600oz \$4300oz \$5000oz \$5700oz

10.0% discount 48.87 58.08 70.83 83.46 96.01

7.5% discount 52.00 61.96 75.78 89.48 103.10

5.0% discount 55.57 66.4 81.49 96.44 111.31

*Project NPV incl grp SG&A & fin. cost, +net cash; ^diluted for mine build equity

Production Y1 Y2 Y3 Y4 Y5

Gold production (000oz) 500 380 480 410 485

C1 cost (US\$/oz) 623 732 626 705 694

AISC cost (US\$/oz) 708 843 714 830 796

AISC = C1 + ug sustaining capex, Y1 = 12M to Mar 2027

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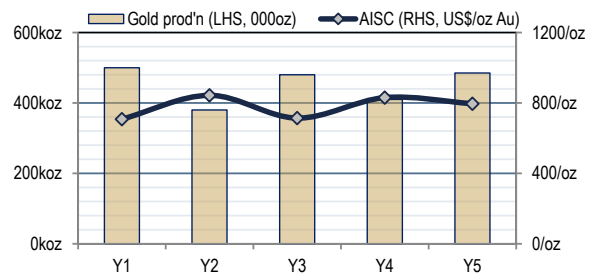
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Source: SCP estimates

Resources	AuEq (koz)	AuEq (g/t)
Pittable resource	5631koz	3.46g/t
Underground resource	393koz	5.86g/t
Snip	937koz	9.00g/t
Funding: uses		
SCPe remaining build capex	C\$397m	
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Cash + ITM options	C\$315m	
Orion Debt	C\$486m	
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Orion over-run	C\$136m	
Build Equity	C\$0m	
Total proceeds	C\$937m	
Buffer C\$226m		

*Cash from options expiring pre first pour

Ratio analysis

Average shares out (m) 114.7 121.0 121.0 121.0 121.0

EPS (C\$/sh) - - 10.23 9.86 11.19

CFPS (C\$/sh) - - 8.35 10.74 11.62

EV (C\$m) 4,677.1 5,265.7 4,216.4 2,946.4 1,573.4

FCF yield (%) - - 20% 26% 28%

PER (x) - - 4.1x 4.2x 3.7x

P/CF (x) - - 5.0x 3.9x 3.6x

EV/EBITDA (x) - - 2.3x 1.7x 0.8x

Income statement

Net revenue (C\$m) - - 2,056.9 2,050.0 2,275.0

Gross profit (C\$m) - - 1,881.9 1,824.5 2,046.4

D&A, attrib (C\$m) 0.6 - 90.4 103.1 121.1

Admin (C\$m) 40.0 23.2 10.0 10.0 10.0

Expensed exploration (C\$m) 8.7 3.0 - - -

Finance cost (C\$m) 0.5 45.8 61.6 46.7 29.7

Royalty (C\$m) - - 60.1 59.6 66.3

Forex, other (C\$m) (39.9) 2.1 - - -

Taxes (C\$m) 3.5 - 421.4 411.7 464.9

Net income (C\$m) (13.5) (74.1) 1,238.4 1,193.4 1,354.5

Cash flow, attrib.

EBIT (C\$m) (9.5) (28.3) 1,721.4 1,651.8 1,849.1

Add back D&A (C\$m) 0.6 - 90.4 103.1 121.1

Less tax + net interest (C\$m) 3.9 45.8 483.0 458.4 494.6

Net change in wkg cap (C\$m) (36.8) - (207.4) 45.6 (27.0)

Add back other non-cash (C\$m) 90.7 - - - -

Cash flow ops (C\$m) 41.1 (74.1) 1,121.4 1,342.1 1,448.6

PP&E - build + sust. (C\$m) (294.4) (317.7) (111.1) (42.3) (42.3)

PP&E - expl'n (C\$m) - - - - -

Cash flow inv. (C\$m) (294.4) (317.7) (111.1) (42.3) (42.3)

Share issue (C\$m) 232.0 - - - -

Proceeds from sale (C\$m) 206.9 68.1 68.1 - -

Debt draw (repay) (C\$m) 112.2 364.6 (65.7) (129.6) (129.6)

Cash flow fin. (C\$m) 551.1 432.6 2.3 (129.6) (129.6)

Net change in cash (C\$m) 297.8 40.8 1,012.6 1,170.2 1,276.7

EBITDA (C\$m) (116.6) (28.3) 1,782.8 1,725.0 1,936.9

Balance sheet

Cash (C\$m) 276.9 317.7 1,301.3 2,441.6 3,685.1

Acc rec., inv, prepaid (C\$m) 54.4 54.4 211.2 165.7 192.6

PP&E + other (C\$m) 563.5 881.2 902.0 841.1 762.4

Total assets (C\$m) 894.8 1,253.3 2,414.5 3,448.4 4,640.0

Debt (C\$m) 184.2 548.7 483.0 353.4 223.8

Accounts payable (C\$m) 63.9 63.9 13.4 13.4 13.4

Others (C\$m) 434.9 434.9 434.9 434.9 434.9

Total liabilities (C\$m) 683.0 1,047.6 931.3 801.7 672.1

Sh'hlds equity + wrnts (C\$m) 900.6 968.6 1,036.7 1,036.7 1,036.7

Retained earn'gs + rsvs (C\$m) (688.8) (762.9) 446.5 1,610.0 2,931.3

Liabilities + equity (C\$m) 894.8 1,253.3 2,414.5 3,448.4 4,640.0

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NEUTRAL: The stock's total returns are expected to be in line with the overall market

SELL: The stocks total returns are expected to be materially lower than the overall market

TENDER: The analyst recommends tendering shares to a formal tender offering

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NOT RATED ((N/R): The stock is not currently rated

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Summary of Recommendations as of February 2026	
BUY:	55
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	55

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