

STIKINE GOLD CORPORATION

(A Development Stage Company)

INTERIM FINANCIAL STATEMENTS

For the Three Months Ended

MAY 31, 2005

(Expressed in Canadian Dollars)

Prepared by Management Without Audit

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the period ended May 31, 2005.

Stikine Gold Corporation

(A Development Stage Company)

Statement 1

Balance Sheet

Canadian Funds

	As at May 31, 2005 (Unaudited)	As at February 28, 2005
ASSETS		
Current		
Cash and cash equivalents	\$ 33,415	\$ 166,569
Receivables	200,783	54,302
Prepaid expenses	13,229	11,844
	<u>247,427</u>	<u>232,715</u>
Resource Property Costs - Schedule (Note 4)	3,262,158	2,461,393
Reclamation Bonds	2,500	2,500
Property, Plant and Equipment (Note 5)	9,670	10,730
	<u>\$ 3,521,755</u>	<u>\$ 2,707,338</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 163,004	\$ 243,508
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	5,011,696	4,044,180
Contributed Surplus (Note 6)	538,737	273,167
Deficit (Statement 2)	(2,191,682)	(1,853,517)
	<u>3,358,751</u>	<u>2,463,830</u>
	<u>\$ 3,521,755</u>	<u>\$ 2,707,338</u>

ON BEHALF OF THE BOARD:

"Scott E. Broughton", Scott E. Broughton, Director

"John M. Mirko", John M. Mirko, Director

- See Accompanying Notes -

Stikine Gold Corporation*(A Development Stage Company)*Statement 2**Statement of Loss and Deficit****Unaudited**
Canadian Funds

	For the Three Months Ended	
	May 31,	May 31,
	2005	2004
Expenses		
Advertising and shareholder relations	\$ 14,814	\$ 23,222
Amortization	1,060	554
Audit, accounting and legal fees	6,651	7,180
Bank charges and interest	214	163
Consulting fees – related parties	23,650	27,750
Consulting fees and wage expense	10,575	16,000
Listing and filing fees	2,382	5,505
Office and sundry	3,633	3,581
Rent	1,500	1,500
Stock-based compensation	265,570	-
Travel	8,581	18,267
Loss Before Under-Noted	338,630	103,722
Interest Income	(465)	(1,289)
Loss for the Period	338,165	102,433
Deficit, Beginning of Period	1,853,517	1,513,283
Deficit, End of Period	\$ 2,191,682	\$ 1,615,716
Loss per Share – Basic and Diluted	\$ 0.01	\$ 0.01

- See Accompanying Notes -

Stikine Gold Corporation*(A Development Stage Company)*Statement 3**Statement of Cash Flows****Unaudited***Canadian Funds*

	For the Three Months Ended	
	May 31, 2005	May 31, 2004
Cash Resources Provided By (Used In):		
Loss for the period	\$ (338,165)	\$ (102,433)
Items not affected by cash:		
Stock-based compensation	265,570	-
Amortization	1,060	554
	<u>(71,535)</u>	<u>(101,879)</u>
Changes in non-cash working capital:		
Receivables	(146,481)	(1,903)
Prepaid expenses	(1,385)	6,822
Accounts payable and accrued liabilities	(80,504)	(17,586)
	<u>(299,905)</u>	<u>(114,546)</u>
Investing Activities		
Resource property costs	<u>(800,765)</u>	<u>(333,663)</u>
Financing Activities		
Shares issued for cash	1,030,375	6,020
Deferred share issuance costs	(62,859)	-
	<u>967,516</u>	<u>6,020</u>
Net increase (decrease) in cash and equivalents	(133,154)	(442,189)
Cash and cash equivalents – Beginning of Period	166,569	1,422,462
Cash and cash equivalents – End of Period	\$ 33,415	\$ 980,273
Supplemental Schedule of non-cash Transactions		
Stock-Option based consulting expense	\$ 265,570	\$ -

- See Accompanying Notes -

Stikine Gold Corporation

(A Development Stage Company)

Schedule

Schedule of Resource Property Costs

For the 3 months Ended May 31

Canadian Funds

	2005	2004
Sullivan Deeps Project, B.C., Canada		
Acquisition Costs		
Additional Staking and Land costs	\$ 6,885	\$ -
Deferred Exploration Costs		
Drilling costs	595,886	255,186
Materials, equipment and road costs	147,803	32,980
Geological and Project Management	36,998	27,075
Travel and Field Transportation	4,099	4,775
Wages and labour costs	1,820	-
Maps and reports	549	1,452
Accommodation and meals	1,179	4,857
Communication	732	1,632
Insurance	1,563	1,250
Assays	48	-
	<u>797,562</u>	<u>329,207</u>
General Exploration - Latin America		
Deferred Exploration Costs		
Geological and Project Management	1,050	2,450
Travel	-	253
Materials	2,153	1,023
Communication	-	730
	<u>3,203</u>	<u>4,456</u>
Total Costs for the Period	800,765	333,663
Balance - Beginning of Period	<u>2,461,393</u>	<u>455,503</u>
Balance - End of Period	\$ 3,262,158	\$ 789,166

- See Accompanying Notes -

Notes to Financial Statements

May 31, 2005
Canadian Funds

1. Nature of Operations

The Company was incorporated July 10, 2000 as Withit Capital Corp. and changed its name to Stikine Gold Corporation June 18, 2002. The Company was inactive until it commenced operations in the 2003 fiscal year.

The Company is a development stage company that engages principally in the acquisition, exploration and development of resource properties. The recovery of the Company's investment in its resource properties is dependent upon the discovery, development and sale of ore reserves and the ability to raise sufficient capital to finance this operation. The ultimate outcome of these operations cannot presently be determined because they are contingent on future matters.

2. Significant Accounting Policies

These interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements as at February 28, 2005.

3. Fair Value of Financial Instruments

The Company's financial instruments consist of cash, receivables and accounts payable. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

4. Resource Property Costs

Details are as follows:

	Acquisition	Deferred Exploration	Total May 31, 2005	Total May 31, 2004
Sullivan Deeps Project British Columbia, Canada	\$ 93,701	\$ 2,809,369	\$ 2,903,070	\$ 476,510
General - Latin America	267,485	91,603	359,088	312,656
	<u>\$ 361,186</u>	<u>\$ 2,900,972</u>	<u>\$ 3,262,158</u>	<u>\$ 789,166</u>

Notes to Financial Statements

May 31, 2005
Canadian Funds

4. Resource Property Costs - Continued

- a) By assignment agreement dated October 2, 2003, the Company acquired, the right to earn, from Teck Cominco Metals Ltd. ("Teck Cominco", a subsidiary of Teck Cominco Limited), a 50% interest in certain properties located near Kimberley, British Columbia, known as the Sullivan Deeps Project. As consideration for the assignment of the option, the Company reimbursed Mariner Ventures Corporation, a related company, for \$53,394 in costs and was later credited with a refund \$2,251, for net acquisition costs of \$51,143. To earn its 50% interest in the property, the Company must issue 100,000 shares to Teck Cominco (issued) and incur \$1.5 million in exploration expenditures on or before January 31, 2005 (incurred) and \$4 million in cumulative exploration expenditures on or before August 1, 2007, as summarized below:

	Share Issuances	Exploration Expenditures
Upon exchange approval (issued)	100,000	\$ -
On or before January 31, 2005 (incurred)	-	1,500,000
On or before August 31, 2007	-	2,500,000
	100,000	\$ 4,000,000

Upon completion of this earn-in stage, Teck Cominco will have 90 days to elect to become operator and form a joint venture with the Company, or the Company will have the right to earn an additional 20% interest by funding a further \$4 million in exploration expenditures. Teck Cominco will then have the right to participate at the 30% level or to convert to a 1.5% NSR, reducible to 1% upon payment of \$2.5 million by the Company.

- b) The Company has grubstaked a prospector to search for, and to subsequently acquire, certain mineral properties of interest and meeting the Company's criteria in Latin America. Certain concessions have been applied for and are being evaluated by the relevant governmental authorities. Acquisition and deferred exploration costs to date totalling \$359,088 have been capitalized; however there is no assurance the Company will be successful in acquiring its properties.

5. Property, Plant and Equipment

Details are as follows:

	Cost	Accumulated Amortization	May 31, 2005 Net Book Value	May 31, 2004 Net Book Value
Computer/Office Equipment	\$ 17,336	\$ 7,666	\$ 9,670	\$ 6,831

Notes to Financial Statements

May 31, 2005
Canadian Funds

6. Share Capital

a) Details are as follows:

	Number		Amount
Authorized:			
100,000,000 common shares without par value			
Balance at February 29, 2004	20,513,817	\$	3,087,090
Issued and fully paid			
Exercise of Warrants at \$0.25	2,525,000		631,250
Exercise of Agent Warrants at \$0.25	201,850		50,462
Exercise of Agent Warrants at \$0.35	358,750		125,562
Exercise of Stock Options at \$0.25	150,000		37,500
Exercise of Stock options at \$0.35	150,000		52,500
Fair value of stock options exercised	-		59,816
Balance as at February 28, 2005	23,899,417		4,044,180
Issued and fully paid			
Private Placement	2,000,000		900,000
Exercise of Warrants at \$0.25	416,000		104,000
Exercise of Agent Warrants at \$0.25	105,500		26,375
Share issuance costs	-		(62,859)
Balance as at May 31, 2005	26,420,917	\$	5,011,696

- b) During the quarter ended May 31, 2005, the Company completed a private placement of 2,000,000 units, each unit consisting of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share until April 20, 2006 for \$0.55. Cash fees totalling \$57,394 were paid and 159,428 warrants issued in connection with this offering, the warrants having the same terms as those issued to the private placees. Directors and Officers of the Company purchased a total of 1,062,223 units of the total 2,000,000.
- c) During the quarter ended May 31, 2005, a total of 416,000 Warrants exercisable at \$0.25 per share were exercised for proceeds of \$104,000 and 105,500 Agent Warrants exercisable at \$0.25 per share were exercised for proceeds of \$26,375.
- d) As at May 31, 2005, the following share purchase warrants are outstanding:

	Number	Price per Share	Expiry Date
Agent Warrants	42,000	\$ 0.25	July 26, 2005
Warrants	7,059,000	\$ 0.25	July 26, 2005
Agent Warrants	159,428	\$ 0.55	April 20, 2006
Warrants	1,000,000	\$ 0.55	April 20, 2006

Notes to Financial Statements

May 31, 2005
Canadian Funds

6. Share Capital - Continued

- e) As at May 31, 2005, 1,864,500 shares are held in escrow, and will be released over time.
- f) The company has established a share purchase option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date. Options vest on the grant date unless determined otherwise by the board of directors. A summary of the company's options at May 31, 2005 are as follows:

Number at Feb 28, 2005	Granted	Exercised	Cancelled	Expired	Number at May 31, 2005	Exercise Price Per Share	Expiry
635,000	-	-	-	-	635,000	\$0.35	July 31, 2008
250,000	-	-	-	-	250,000	\$0.35	July 31, 2008
340,000	-	-	-	-	340,000	\$0.25	Feb 2, 2009
675,000	-	-	-	-	675,000	\$0.25	Feb 2, 2009
-	630,000	-	-	-	630,000	\$0.55	Mar. 4, 2010
1,750,000	630,000	-	-	-	2,380,000		

Note: Subsequent to the three months ended May 31, 2005, disinterested shareholders voted to amend the exercise price of all outstanding stock options granted prior to March, 2005, from prices \$0.35 and \$0.25 per share to \$0.10 per share. The repricing of the stock options is intended to align the exercise price of the options with current market pricing of the Company's common shares.

Effective 1 March 2003, the company adopted the recommendations of CICA Handbook Section 3870, Stock-based compensation. The new standard requires that stock-based awards made to employees and non-employees are to be measured and recognized using a fair value based method. Compensation expense is based on the fair value (based on Black-Scholes option pricing model) of the options of the grant date.

During the quarter ended May 31, 2005, the Company granted 630,000 incentive stock options to purchase up to 630,000 common shares of the Company at a price of \$0.55 per share for a period of five years, expiring on March 4, 2010. 450,000 of these options were granted to directors. The total fair value of the options granted was calculated to be \$265,570 on the grant date. The offsetting entry is to contributed surplus.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

Average risk-free interest rate	3.45%
Expected dividend yield	Nil
Expected stock price volatility	105.75%
Average expected option life in years	5 years

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Notes to Financial Statements

May 31, 2005
Canadian Funds

7. Related Party Transactions

- a) During the quarter ended May 31, 2005 consulting fees of \$11,400 (2004 - \$14,800) were paid or accrued to the Company's President and Chief Executive Officer. Services provided include general corporate, exploration and acquisition strategy, drafting and engineering work, contract negotiations, and investment presentations.
- b) During the quarter ended May 31, 2005 consulting fees of \$12,250 (2004 - \$12,950) were paid or accrued to the Company's Secretary and Chief Financial Officer. Services provided include corporate finance initiatives, fund raising, contract negotiations, accounting, office and general management.
- c) During the quarter ended May 31, 2005 per diem contract fees of \$8,400 (2004 - 8,050) were paid or accrued to a director or a company controlled by a director. These amounts were included in resource property costs.
- d) During the quarter ended May 31, 2005 rent costs of \$1,500 (2004 - \$1,500) were paid or accrued to a company with a director in common.

8. Income Taxes

The Company has incurred certain mineral property related expenditures of approximately \$2,646,000 that may be carried forward indefinitely and are available to offset future taxable income.

The Company has non-capital losses for tax purposes of approximately \$711,000 that are available to offset future taxable income. These losses may be carried forward and expire as follows:

2010	\$	43,000
2011		336,000
2015		332,000
	\$	<u>711,000</u>

The potential future tax benefits of these expenditures and tax losses have not been recognized in these financial statements.

9. Segmented Information

- a) Details on a geographic basis as at May 31, 2005 are as follows:

	Latin America	Canada	Total
Assets	\$ 359,088	\$ 3,162,667	\$ 3,521,755
Resource Property costs	\$ 359,088	\$ 2,903,070	\$ 3,262,158
Loss for the 1 st Quarter Ended May 31, 2005	\$ -	\$ 338,165	\$ 338,165

- b) Details on a geographic basis as at May 31, 2004 are as follows:

	Latin America	Canada	Total
Assets	\$ 312,656	\$ 1,504,220	\$ 1,816,876
Resource Property costs	\$ 312,656	\$ 476,510	\$ 789,166
Loss for the 1 st Quarter Ended May 31, 2004	\$ -	\$ 102,433	\$ 102,433

STIKINE GOLD CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(FORM 51-102F1)
THREE MONTH INTERIM PERIOD ENDED MAY 31, 2005

JULY 27, 2005

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
Three Months Ended May 31, 2005
Dated as of July 27, 2005

This discussion and analysis should be read in conjunction with the unaudited interim financial statements and related notes thereto for the three months ended May 31, 2005 and 2004, which have been prepared in accordance with Canadian generally accepted accounting principles. The reader should also refer to the annual audited financial statements for the years ended February 28, 2005 and February 29, 2004 and the Management's Discussion and Analysis for those years. All amounts in the financial statements and this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated.

Forward-Looking Information

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Stikine Gold Corporation (the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, amongst other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Description of Business and Overview of Operations and Financial Condition

The Company is engaged in exploration for mineral resources with its current focus being the Sullivan Deeps Project, a deep diamond-drilling program searching for economic quantities of base and precious metals near Kimberley, British Columbia.

During the three months ended May 31, 2005, the Company incurred a loss of \$338,165 and incurred exploration and acquisition costs of \$800,765. The Company's loss of \$338,165 increased significantly from a loss of \$102,433 during the comparable period in the prior year due to non-cash stock based compensation expense of \$265,570 recognized in the current quarter while none was recognized in the first quarter ended May 31, 2004. Exploration expenses were also up significantly from the prior year's first quarter due to the expansion of the drill program at the Sullivan Deeps Project.

At May 31, 2005, the Company had cash and cash equivalents of \$33,415 and working capital of \$84,423, sufficient to meet ongoing organizational costs though the Company will require further funds prior to any significant acquisitions or resuming drilling at the Sullivan Deeps Project.

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
Three Months Ended May 31, 2005
Dated as of July 27, 2005

Selected Annual Financial Results

	Year Ended February 28, 2005	Year Ended February 29, 2004	Year Ended February 28, 2003
Total revenues	Nil	Nil	Nil
Net income (loss)	(340,234)	(1,468,896) ¹	(44,387)
Net income (loss) per share	(0.02)	(0.15)	(0.01)
Total assets	2,707,338	1,930,875	322,028
Total long term debt	Nil	Nil	Nil

Notes:

- 1) The loss for the year-ended February 29, 2004 includes a one-time write-off of \$875,774 in resource property costs.

Results of Operations

Sullivan Deeps Project Exploration

By assignment agreement dated October 2, 2003, the Company acquired the right to earn, from Teck Cominco Metals Ltd. ("Teck Cominco", a subsidiary of Teck Cominco Limited), a 50% interest in certain properties located near Kimberley, British Columbia, known as Sullivan Deeps Project. As consideration for the assignment of the option, the Company reimbursed Mariner Ventures Corporation, a related company, for \$53,394 in costs and was later credited with a refund \$2,251, for net acquisition costs of \$51,143.

To earn its 50% interest in the property, the Company is required to complete the following:

	Share Issuances	Expenditures
Upon exchange approval (issued)	100,000	\$ -
On or before January 31, 2005 (incurred)	-	1,500,000
On or before August 31, 2007	-	2,500,000
	<u>100,000</u>	<u>\$ 4,000,000</u>

Upon completion of the earn-in stage, Teck Cominco will have 90 days to elect to become operator and form a joint venture with the Company, or the Company will have the right to earn an additional 20% interest by funding a further \$4 million in exploration expenditures. Teck Cominco will then have the right to participate at the 30% level or to convert to a 1.5% NSR, reducible to 1% upon payment of \$2.5 million by the Company.

At May 31, 2005, the Company had expended a total of \$2,903,070 on the Sullivan Deeps Project including \$93,701 in cash acquisition costs.

Based on early successes on the first diamond drillhole at the project, "SD1", a second diamond drillhole "SD2", was collared in late January 2005 at a location approximately 1.3 kilometres to the northeast of its first hole, targeting a large-scale geophysical conductor. Through February, March and April of 2005, SD2 continued to intersect the normal progression of stratigraphic,

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
Three Months Ended May 31, 2005
Dated as of July 27, 2005

barcode-like markers in the upper part of the Middle Aldridge Formation above 'Sullivan-Time' giving the Company's management further confidence that the geophysical conductor under SD2 would be intersected in the correct stratigraphy and could contain a significant quantity of mineralization.

On May 16, 2005, the Company announced that diamond drillhole SD2 at the Sullivan Deeps project reached "Sullivan Time" at a depth of 2,364.8m (7,758 ft) and intersected a 0.8m (2.6 ft) interval of laminated and semi-massive and brecciated sulphides. This disappointingly thin sulphide intersection was comprised primarily of uneconomic pyrrhotite. As pyrrhotite is highly conductive, this thin sulphide interval could account for the large-scale target conductor observed during down-hole UTEM4 geophysics completed in late 2004 and geophysical work carried out by others in 1996. SD2 was eventually terminated in Lower Aldridge formation rocks at a depth 2,460.0m (8,071 ft).

Wedging operations from SD1 were largely on hold until March as the contractor awaited the delivery of replacement drill rods. By the end of April, wedge drilling at "SD1-A" had passed a depth of 2,065m (6,775 ft) after successfully completing two offset wedges with a third planned. Unscheduled repairs and road conditions prevented further drilling during May and the wedging program was eventually put on hold indefinitely.

As of the date of this report, all drilling operations have now been suspended and demobilized until a thorough review of all existing data has been completed. The Company has until August 31, 2007 to spend approximately \$1 million to earn an initial 50% interest in the Sullivan Deeps Project.

Latin American Exploration

The Company has grubstaked a prospector to search for, and to subsequently acquire, interests in mineral properties of interest and meeting the Company's criteria in Latin America. Expenses to date include fixed-wing and rotor aircraft, office, room and board, ground transport, communications, claim applications, legal and technical consulting, analysis and labour costs. Certain concessions have been applied for and are being evaluated by the relevant governmental authorities. Acquisition and deferred exploration costs to date totalling \$359,088 have been capitalized, however there is no assurance the Company will be successful in acquiring its properties.

Operating Expenses and Loss

During the three months ended May 31, 2005, the Company incurred a loss of \$338,165 up significantly from a loss of \$102,433 during the comparable period in the prior year due to non-cash stock based compensation expense of \$265,570 recognized in the current quarter while none was recognized in the first quarter ended May 31, 2004. On a cash-basis, the Company has become more efficient from the comparable period in the prior year by reducing its travel and shareholder relations costs.

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
Three Months Ended May 31, 2005
Dated as of July 27, 2005

Liquidity and Capital Resources

At May 31, 2005, the Company had cash and cash equivalents of \$33,415 and working capital of \$84,423, sufficient to meet ongoing organizational costs for the coming few months, though the Company will require further funds prior to funding any significant acquisitions or resuming drilling at the Sullivan Deeps Project.

Summary of Quarterly Results

	May 31, 2005	Feb. 28, 2005	Nov. 30, 2004	Aug. 31, 2004
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(338,165) ¹	(57,581)	(85,599)	(94,621)
Net income (loss) per share	(0.01)	(0.00)	(0.00)	(0.01)
Total assets	3,521,755	2,707,338	2,709,191	2,447,801
Total long term debt	Nil	Nil	Nil	Nil

	May 31, 2004	Feb. 29, 2004	Nov. 30, 2003	Aug. 31, 2003
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(102,433)	(1,279,165) ²	(84,310)	(79,126)
Net income (loss) per share	(0.01)	(0.09)	(0.01)	(0.01)
Total assets	1,816,876	1,930,875	1,096,717	1,227,624
Total long term debt	Nil	Nil	Nil	Nil

Notes:

- 1) The loss for the quarter ended May 31, 2005 includes non-cash, stock-based-compensation expense of \$265,570.
- 2) The loss for the quarter ended February 29, 2004 includes a one-time write-off of \$875,774 in resource property costs.

Related Party Transactions

Each of Scott Broughton, David Skerlec and John Mirko, either directly or through a wholly owned company, provides consulting or contract services to the Company pursuant to a consulting agreement. Mr. Broughton charges a per diem rate of \$400, and Messrs. Skerlec and Mirko charge per diem rates of \$350. During the three months ended May 31, 2005, related party consulting fees of \$11,400 (2004 - \$14,800) were paid or accrued to the President and CEO. Services provided include general corporate, exploration and acquisition strategy, drafting and engineering work, contract negotiations, and investment presentations. During the period ended May 31, 2005 related party consulting fees of \$12,250 (2004 - \$12,950) were paid or accrued to the CFO and Secretary. Services provided include corporate finance initiatives, fund raising, contract negotiations, accounting, office and general management. During the period ended May 31, 2005, per-diem contract fees of \$8,400 (2004 - \$8,050) were paid or accrued to a director or a company controlled by a director. During the period ended May 31, 2005 rent costs of \$1,500 (2004 - \$1,500) were paid or accrued to a company with a director in common.

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
Three Months Ended May 31, 2005
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Risks and Uncertainties

The Company's financial success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. The Company competes with many companies possessing greater financial resources and technical facilities than itself. The market price of minerals and/or metals is volatile and cannot be controlled. There is no assurance that the Company's mineral exploration and development activities will be successful. The development of mineral resources involves many risks in which even a combination of experience, knowledge and careful evaluation may not be able to overcome. All of the Company's short to medium term operating and exploration cash flow must be derived from external financing. Actual funding may vary from what is planned due to a number of factors including the progress of exploration and development on its current properties. Should changes in equity market conditions prevent the Company from obtaining additional external financing, the Company will need to review its exploration property holdings to prioritize project expenditures based on funding availability.

Outstanding Share Data

Authorized: 100,000,000 common shares without par value	<u>Number</u>	<u>Amount</u>
Balance as at February 29, 2004	20,513,817	\$ 3,087,090
Exercise of Warrants at \$0.25	2,525,000	631,250
Exercise of Agent Warrants at \$0.25	201,850	50,462
Exercise of Agent Warrants at \$0.35	358,750	125,562
Exercise of Stock Options at \$0.25	150,000	37,500
Exercise of Stock options at \$0.35	150,000	52,500
Fair Value of stock options exercised	-	59,816
Balance as at February 28, 2005	23,899,417	\$ 4,044,180
Private Placement at \$0.45	2,000,000	900,000
Exercise of Warrants at \$0.25	416,000	104,000
Exercise of Agent Warrants at \$0.25	105,500	26,375
Share Issuance Costs	-	(62,859)
Balance as at May 31, 2005 and July 27, 2005	26,420,917	\$ 5,011,696

During the quarter ended May 31, 2005, the Company completed a private placement of 2,000,000 units, each unit consisting of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share until April 20, 2006 for \$0.55. Cash fees totalling \$57,394 were paid and 159,428 warrants issued in connection with this offering, the warrants having the same terms as those issued to the private places. Directors and Officers of the Company purchased a total of 1,062,223 units of the total 2,000,000.

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
Three Months Ended May 31, 2005
Dated as of July 27, 2005

As at May 31, 2005 and at the day of this report, 1,864,500 shares were held in escrow to be released over time.

During the quarter ended May 31, 2005, a total of 416,000 Warrants exercisable at \$0.25 per share were exercised for proceeds of \$104,000 and 105,500 Agent Warrants exercisable at \$0.25 per share were exercised for proceeds of \$26,375.

As at May 31, 2005, the following share purchase warrants are outstanding:

	Number	Price per Share	Expiry Date
Agent Warrants	42,000	\$ 0.25	July 26, 2005
Warrants	7,059,000	\$ 0.25	July 26, 2005
Agent Warrants	159,428	\$ 0.55	April 20, 2006
Warrants	1,000,000	\$ 0.55	April 20, 2006

Subsequent to the end of the period, a total of 7,059,000 warrants and 159,428 Agent warrants expired unexercised. At the date of this report, the following share purchase warrants were outstanding:

	Number	Price per Share	Expiry Date
Agent Warrants	159,428	\$0.55	April 20, 2006
Warrants	1,000,000	\$0.55	April 20, 2006

A summary of the company's stock options at May 31, 2005 and changes for the period are as follows:

Number at February 28, 2005	Granted	Exercised	Cancelled	Expired	Number at May 31, 2005	Exercise Price Per Share	Expiry
635,000	-	-	-	-	635,000	\$0.35	July 31, 2008
250,000	-	-	-	-	250,000	\$0.35	July 31, 2008
340,000	-	-	-	-	340,000	\$0.25	Feb. 2, 2009
525,000	-	-	-	-	525,000	\$0.25	Feb. 2, 2009
-	630,000	-	-	-	630,000	\$0.55	March 4, 2010
1,750,000	630,000	-	-	-	2,380,000		

Subsequent to period-end, disinterested shareholders voted to amend the exercise price of all outstanding stock options granted prior to March, 2005, to a price of \$0.10 per share. The repricing of the stock options is intended to align the exercise price of the options with current market pricing of the Company's common shares. The expiry dates of the options will remain unchanged.

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
Three Months Ended May 31, 2005
Dated as of July 27, 2005

A summary of the company's stock options at the date of this report is as follows:

Number at May 31, 2005	Granted	Exercised	Cancelled	Expired	Number at July 27, 2005	Exercise Price Per Share	Expiry
635,000	-	-	635,000	-	-	\$0.35	July 31, 2008
250,000	-	-	250,000	-	-	\$0.35	July 31, 2008
340,000	-	-	340,000	-	-	\$0.25	Feb. 2, 2009
525,000	-	-	525,000	-	-	\$0.25	Feb. 2, 2009
630,000	-	-	-	-	630,000	\$0.55	March 4, 2010
-	635,000	-	-	-	635,000	\$0.10	July 31, 2008
-	250,000	-	-	-	250,000	\$0.10	July 31, 2008
-	340,000	-	-	-	340,000	\$0.10	Feb. 2, 2009
-	525,000	-	-	-	525,000	\$0.10	Feb. 2, 2009
2,380,000	1,750,000	-	1,750,000	-	2,380,000		