

STIKINE GOLD CORPORATION

(A Development Stage Company)

INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended

NOVEMBER 30, 2004

(Expressed in Canadian Dollars)

Prepared by Management Without Audit

UNADITED 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 November 30, 2004.

Stikine Gold Corporation

(A Development Stage Company)

Statement 1

Balance Sheet

Canadian Funds

	As at November 30, 2004 (Unaudited)	As at February 29, 2004
ASSETS		
Current		
Cash and cash equivalents	\$ 688,025	\$ 1,422,462
Receivables	44,679	19,012
Prepaid expenses	5,944	19,013
	<u>738,648</u>	<u>1,460,487</u>
Resource Property Costs - Schedule (Note 4)	1,954,804	455,503
Reclamation Bonds	2,500	7,500
Property, Plant and Equipment (Note 5)	13,239	7,385
	<u>\$ 2,709,191</u>	<u>\$ 1,930,875</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 352,779	\$ 24,085
SHAREHOLDERS' EQUITY		
Share Capital (Note 6)	4,152,348	3,420,073
Deficit (Statement 2)	(1,795,936)	(1,513,283)
	<u>2,356,412</u>	<u>1,906,790</u>
	<u>\$ 2,709,191</u>	<u>\$ 1,930,875</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

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>November 30,</u>	<u>November 30,</u>	<u>November 30,</u>	<u>November 30,</u>
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Expenses				
Consulting fees – related parties	\$ 33,250	\$ 19,675	\$ 87,800	\$ 54,900
Advertising, shareholder relations	17,260	8,247	74,048	25,663
Consulting fees and expenses	13,200	12,000	41,700	12,801
Office and sundry	7,420	2,442	15,007	11,400
Audit, accounting and legal fees	5,468	14,301	20,246	27,952
Travel	4,463	22,495	27,127	23,338
Listing and filing fees	2,909	3,743	12,847	4,395
Rent	1,500	1,500	4,500	4,500
Amortization	684	356	1,792	782
Stock-based compensation	-	-	-	25,333
Loss before under-noted	86,154	84,759	285,234	191,064
Interest Income	(555)	(449)	(2,414)	(1,333)
Loss for the Period	85,599	84,310	282,653	189,731
Deficit, beginning of period	1,710,337	149,808	1,513,283	44,387
Deficit, End of Period	\$ 1,795,936	\$ 234,118	\$ 1,795,936	\$ 234,118
Loss per Share - Basic and Diluted	\$ \$0.00	\$ 0.01	\$ \$0.01	\$ 0.02

- See Accompanying Notes -

Stikine Gold Corporation*(A Development Stage Company)*

Statement 3

Statement of Cash Flows

Unaudited

Canadian Funds

	<u>For the Three Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>November 30,</u> <u>2004</u>	<u>November 30,</u> <u>2003</u>	<u>November 30,</u> <u>2004</u>	<u>November 30,</u> <u>2003</u>
Cash Resources Provided By (Used In):				
Operating Activities				
Loss for the period	\$ (85,599)	\$ (84,310)	\$ (282,653)	\$ (189,731)
Items not affected by cash:				
Stock-based compensation	-	-	-	25,333
Amortization	684	356	1,792	781
	<u>(84,915)</u>	<u>(83,954)</u>	<u>(280,861)</u>	<u>(163,617)</u>
Changes in non-cash working capital:				
Receivables	214,675	(9,568)	(25,667)	(41,543)
Prepaid expenses	3,179	1,685	13,069	(6,413)
Accounts payable and accrued liabilities	184,651	(68,608)	328,694	2,705
	<u>317,590</u>	<u>(160,445)</u>	<u>35,235</u>	<u>(208,868)</u>
Investing Activities				
Reclamation Bond	-	-	5,000	(5,000)
Purchase of Property, Plant and Equipment	(7,646)	(2,862)	(7,646)	(2,862)
Resource property costs	(578,445)	(109,632)	(1,499,301)	(728,170)
	<u>(586,091)</u>	<u>(112,494)</u>	<u>(1,501,947)</u>	<u>(736,032)</u>
Financing Activities				
Shares issuance proceeds	162,338	-	732,275	1,105,555
Share issuance costs	-	5,011	-	(214,713)
	<u>162,338</u>	<u>5,011</u>	<u>732,275</u>	<u>891,382</u>
Net Increase in Cash and cash equivalents	(106,163)	(267,928)	(734,437)	(53,518)
Cash and cash equivalents - Beginning of Period	794,188	324,015	1,422,462	109,605
Cash and cash equivalents - End of Period	\$ 688,025	\$ 56,087	\$ 688,025	\$ 56,087
Supplemental Schedule of non-cash Transactions				
Stock-based compensation	\$ -	\$ -	\$ -	\$ 25,333
Shares issued for property	-	17,000	-	45,000
Shares issue for services	-	-	-	25,000
	<u>\$ -</u>	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 95,333</u>

- See Accompanying Notes -

Stikine Gold Corporation

(A Development Stage Company)

Schedule

Schedule of Resource Property Costs

Canadian Funds

	For the Three Months Ended		For the Nine Months Ended	
	November 30, 2004	November 30, 2003	November 30, 2004	November 30, 2003
Sullivan Deeps Project, B.C., Canada				
Acquisition Costs				
Assignment of Option – cash	\$ -	\$ 51,143	\$ -	\$ 51,143
Option payment - shares	-	17,000	-	17,000
Staking, land and claim costs	738	10,180	8,492	10,180
Deferred Exploration Costs				
Drilling costs	314,582	-	997,001	-
Geological, Project Management	48,110	10,000	126,888	10,000
Geophysical	126,569	-	126,569	-
Maps and reports	-	2,606	1,452	2,606
Accommodation and meals	6,480	-	18,130	-
Field Transportation	-	-	1,095	-
Materials and equipment	50,708	-	129,184	-
Labour	10,835	-	10,835	-
Communication	4,251	-	9,435	-
Insurance	1,250	-	3,750	-
Travel	14,067	1,036	23,588	1,036
Assays	855	-	855	-
	578,445	91,965	1,457,274	91,965
General Exploration – Latin America				
Deferred Exploration Costs				
Geological, Project Management	-	-	2,450	-
Consulting	-	-	34,941	-
Travel and Accommodation	-	-	1,411	-
Materials	-	-	2,395	-
Communication	-	-	830	-
	-	-	42,027	-
Costs on abandoned properties	-	34,667	-	681,205
Total Costs for the Period	578,445	126,632	1,499,301	773,170
Balance - Beginning of Period	1,376,359	840,997	455,503	194,459
Balance - End of Period	\$ 1,954,804	\$ 967,629	\$ 1,954,804	\$ 967,629

- See Accompanying Notes -

Notes to Financial Statements

November 30, 2004

Canadian Funds

Unaudited

1. Nature of Operations

The Company was incorporated on 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 29, 2004.

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 November 30, 2004	Total November 30, 2003
Sullivan Deeps Project British Columbia, Canada	\$ 86,815	\$ 1,517,762	\$ 1,604,577	\$ 91,965
General - Latin America	267,485	82,742	350,227	-
	<u>\$ 354,300</u>	<u>\$ 1,600,504</u>	<u>\$ 1,954,804</u>	<u>\$ 91,965</u>

Notes to Financial Statements

November 30, 2004

Canadian Funds

Unaudited

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 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 Stikine, or Stikine 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 Stikine.

- 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. Acquisition and deferred exploration costs to date totalling \$350,227 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	November 30, 2004 Net Book Value	November 30, 2003 Net Book Value
Computer/Telephone Equipment	\$ 17,336	\$ 4,097	\$ 13,239	\$ 4,918

Notes to Financial Statements

November 30, 2004

Canadian Funds

Unaudited

6. Share Capital

a) Details are as follows:

	Number	Amount
Authorized:		
100,000,000 common shares without par value		
Balance at February 28, 2003	6,387,517	\$ 337,835
Issued and fully paid		
Flow-through common shares – IPO	1,489,800	521,430
Common shares – IPO	2,336,500	584,125
Common shares – Private Placement	10,000,000	2,000,000
Issued for services provided		
Common shares – IPO Corporate Finance Fee	100,000	-
Issued for property		
Common shares – William's Gold Property	100,000	28,000
Common shares – Sullivan Deeps Property	100,000	17,000
Share issuance costs	-	(401,300)
Stock based compensation	-	332,983
Balance as at February 29, 2004	20,513,817	3,420,073
Issued and fully paid		
Exercise of Warrants at \$0.25	2,225,000	556,250
Exercise of Agent Warrants at \$0.25	201,850	50,463
Exercise of Agent Warrants at \$0.35	358,750	125,562
Balance as at November 30, 2004	23,299,417	\$ 4,152,348

b) During the period ended November 30, 2004, 358,750 Agent Warrants were exercised for \$0.35 per share for cash proceeds of \$125,562.

c) During the period ended November 30, 2004, 201,850 Agent Warrants were exercised for \$0.25 per share for cash proceeds of \$50,463.

d) During the period ended November 30, 2004, 2,225,000 Warrants were exercised for \$0.25 per share for cash proceeds of \$556,250. Of this amount, a total of 75,000 Warrants were exercised by Directors and Officers of the Company

e) As at November 30, 2004, the following share purchase warrants are outstanding:

	Number	Price per Share	Expiry Date
Agent Warrants	147,500	\$ 0.25	July 26, 2005
Warrants	7,775,000	\$ 0.25	July 26, 2005

f) As at November 30, 2004, 2,486,000 shares are held in escrow, to be released over time.

Notes to Financial Statements

November 30, 2004

Canadian Funds

Unaudited

6. Share Capital - Continued

- g) 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 November 30, 2004 are as follows:

Number at Feb 29, 2004	Granted	Exercised	Cancelled	Expired	Number at November 30, 2004	Exercise Price Per Share	Expiry
635,000	-	-	-	-	635,000	\$0.35	July 31, 2008
250,000	-	-	-	-	250,000	\$0.35	July 31, 2008
150,000	-	-	-	-	150,000	\$0.35	Aug 25, 2008
340,000	-	-	-	-	340,000	\$0.25	Feb 2, 2009
675,000	-	-	-	-	675,000	\$0.25	Feb 2, 2009
2,050,000	-	-	-	-	2,050,000		

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 on the grant date.

There were no options granted during the nine months ended November 30, 2004.

7. Related Party Transactions

Except as noted elsewhere in these financial statements, related party transactions are as follows:

- During the nine-month period ended November 30, 2004, related party consulting fees of \$48,600 (2003 - \$29,000) 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 nine-month period ended November 30, 2004, related party consulting fees of \$39,200 (2003 - \$25,900) 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 nine-month period ended November 30, 2004, per-diem contract fees of \$33,500 (2003 - \$29,400) were paid or accrued to a director or a company controlled by a director.
- During the nine months ended November 30, 2004 rent costs of \$4,500 (2003 - \$4,500) were paid to a company with a director in common.

Notes to Financial Statements

November 30, 2004

Canadian Funds

Unaudited

8. Income Taxes

The Company has incurred certain mineral property related expenditures of approximately \$332,000 which may be carried forward indefinitely and are available to offset future taxable income.

The Company has non-capital losses for tax purposes of approximately \$378,500 which are available to offset future taxable income. These losses may be carried forward and expire as follows:

2010	\$	43,000
2011		335,500
	\$	<u>378,500</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 November 30, 2004 are as follows:

	Latin America	Canada	Total
Assets	\$ 350,227	\$ 2,358,964	\$ 2,709,191
Resource Property costs	\$ 350,227	\$ 1,604,577	\$ 1,954,804
Loss for the 9 months Ended November 30, 2004	\$ -	\$ 282,653	\$ 282,653

b) Details on a geographic basis as at November 30, 2003 are as follows:

	Latin America	Canada	Total
Assets	\$ -	\$ 1,096,717	\$ 1,096,717
Resource Property costs	\$ -	\$ 967,629	\$ 967,629
Loss for the 9 months ended November 30, 2003	\$ -	\$ 189,731	\$ 189,731

10. Subsequent Events

Subsequent to the period ended November 30, 2004, 150,000 stock options exercisable at \$0.25 per share were exercised for proceeds of \$37,500, 150,000 stock options exercisable at \$0.35 per share were exercised for proceeds of \$52,500 and 225,000 Warrants exercisable at \$0.25 per share were exercised for proceeds of \$56,250.

STIKINE GOLD CORPORATION
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS
(FORM 51-102F1)
3rd QUARTER ENDED NOVEMBER 30, 2004

JANUARY 24, 2005

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
3rd Quarter Ended November 30, 2004
Dated as of January 24, 2005

This discussion and analysis should be read in conjunction with the unaudited interim financial statements and related notes thereto for the nine months ended November 30, 2004 and 2003, 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 29, 2004 and February 28, 2003 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 interim 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. Aside from factors identified in the annual MD&A, additional, important factors, if any, are identified here.

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 nine months ended November 30, 2004, the Company incurred a loss of \$282,653 and incurred exploration and acquisition costs of \$1,499,301. The Company's third quarter loss of \$86,154 is down slightly from a loss of \$94,621 in the second quarter and up slightly from the loss for the 3 months ended November 30, 2003 of \$84,154. Exploration expenses were largely stable on a quarterly basis at \$578,445 for the third quarter compared to \$587,193 during the second quarter.

At November 30, 2004, the Company had cash and cash equivalents of \$688,025 and working capital of \$385,869 and is adequately funded to begin a Phase 2 work program at the Sullivan Deeps Project (see also *Subsequent Events*) but will require further funds prior to completion of this work program.

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
3rd Quarter Ended November 30, 2004
Dated as of January 24, 2005

Selected Annual Financial Results

	Year Ended February 29, 2004	Year Ended February 28, 2003	Year Ended February 28, 2002 ¹
Total revenues	Nil	Nil	Nil
Net income (loss)	(1,468,896) ²	(44,387)	-
Net income (loss) per share	(0.15)	(0.01)	(0.00)
Total assets	1,930,875	322,028	1
Total long term debt	Nil	Nil	Nil

Notes:

- 1) The Company was inactive during the year-ended February 28, 2002.
- 2) 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
	100,000	\$ 4,000,000

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.

An independent technical report on the Sullivan Deeps Project recommended an initial Phase I exploration budget of \$890,400. At November 30, 2004, the Company had expended a total of \$1,604,577 on the Sullivan Deeps Project including \$51,143 in acquisition costs, \$17,000 in share issuances (100,000 shares at a deemed price of \$0.17 per share) and \$18,672 in additional staking and claim costs. Approximately \$250,000 of the exploration dollars spent (\$1,517,762) relate to Phase 2 work including geophysics and preparations for "wedge" holes from SD#04-01. Budget overruns on the Phase 1 program therefore total approximately \$350,000 largely due to

STIKINE GOLD CORPORATION
Management's Discussion and Analysis
3rd Quarter Ended November 30, 2004
Dated as of January 24, 2005

drilling progress being substantially slower than originally anticipated by its contractor and the target depth being approximately 200 metres lower than originally anticipated due to large scale fold encountered some 100 metres above the targeted "Sullivan Time".

On October 1, 2004 the Company announced that SD#04-01 intersected sedimentary exhalative (SEDEX) style mineralization, including laminated and massive sulphides, at a depth of 2,735.90m (8,976 feet) extending in five discrete bands, (summarized below) over a total drill-interval of 7.65 m (25 feet) after which "footwall" rocks below the "Sullivan Horizon" were encountered. SD#04-01 was ultimately terminated at a depth of 2,766 metres (9,075 feet).

Summary of Sulphide Bands intersected in SD#04-01

From	To	Interval	Estimated True Thickness	Description
2,735.90 m (8,976 feet)	2,736.70 m (8,979 feet)	0.80 m (2.6 feet)	0.72 m (2.4 feet)	Laminated sulphides (15%) comprised of pyrrhotite and pyrite in argillite
2,737.60 m (8,982 feet)	2,737.90 m (8,983 feet)	0.30 m (1.0 feet)	0.27 m (0.9 feet)	Laminated sulphides (80%) comprised of pyrrhotite and pyrite
2,738.20 m (8,983 feet)	2,738.85 m (8,986 feet)	0.65 m (2.1 feet)	0.59 m (1.9 feet)	Massive sulphides (90%) comprised of pyrrhotite, pyrite and sphalerite laminations
2,739.25 m (8,987 feet)	2,740.00 m (8,990 feet)	0.75 m (2.5 feet)	0.68 m (2.3 feet)	Laminated sulphides (70%) comprised of pyrrhotite, pyrite, and sphalerite laminations
2,742.47 m (8,997 feet)	2,743.55 m (9,001 feet)	1.08 m (3.5 feet)	0.98 m (3.2 feet)	Massive sulphides (90%) comprised of pyrrhotite, pyrite, sphalerite with clast textures

Assay Results from SD#04-01

On October 18, 2004, the Company announced assays from the sulphide zones in diamond drillhole SD#04-01 at the Sullivan Deeps Project as follows:

Table 1: Base Metal and Silver Assays

Drill Hole: SD#04-01			Assay:0.50 gm sample leached / ICP-ES				Comments
From (m)	To (m)	Interval (m)	Lead Pb %	Zinc Zn %	Silver Ag (gm/mt)	Iron Fe %	
2733.04	2733.43	0.39	0.24	4.23	<.02	31.59	Massive sulphides
2735.95	2736.35	0.40	0.10	1.07	<.02	22.01	Laminated sulphides comprised of pyrrhotite and pyrite in argillite
2736.35	2736.70	0.35	0.17	1.20	<.02	34.19	
2736.70	2737.53	0.83	0.04	0.23	<.02	8.84	argillite
2737.53	2737.83	0.30	0.19	1.54	<.02	32.85	Laminated sulphides comprised of pyrrhotite and pyrite
2737.83	2738.13	0.30	0.36	12.92	<.02	34.01	Massive sulphides comprised of pyrrhotite, pyrite and sphalerite laminations
2738.13	2738.52	0.39	0.19	8.62	<.02	38.08	
2738.52	2738.78	0.26	<.02	0.16	<.02	6.33	argillite
2738.78	2739.20	0.42	<.02	0.20	<.02	8.71	argillite
2739.20	2739.53	0.33	0.13	3.61	<.02	34.50	Laminated sulphides comprised of pyrrhotite, pyrite, and sphalerite laminations

STIKINE GOLD CORPORATION
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Drill Hole: SD#04-01			Assay: 0.50 gm sample leached / ICP-ES				Comments
From (m)	To (m)	Interval (m)	Lead Pb %	Zinc Zn %	Silver Ag (gm/mt)	Iron Fe %	
2739.53	2739.71	0.18	0.24	8.25	<.02	36.97	
2739.71	2739.91	0.20	0.45	7.67	<.02	38.10	
2739.91	2742.48	2.57	0.03	0.19	<.02	7.33	argillite
2742.48	2742.87	0.39	0.20	3.79	<.02	40.64	Massive sulphides comprised of pyrrhotite, pyrite, sphalerite with clast textures
2742.87	2743.16	0.29	0.20	1.98	<.02	39.39	
2743.16	2743.55	0.39	0.18	1.41	<.02	41.09	
2743.55	2744.91	1.36	0.02	0.08	<.02	4.36	Footwall conglomerate

Notes: gm/mt is equivalent to grams per metric tonne, <.02 means below detection

The same sample intervals were also assayed for gold and other commodities producing the following results:

Table 2: Specialty Metals, Gold and other Assays

Drill Hole: SD#04-01			Assay: 0.50 gm sample ICP-MS					Assay: 0.20 gm sample ICP-MS		
From (m)	To (m)	Interval (m)	Gallium Ga (ppm)	Tellurium Te (ppm)	Germanium Ge (ppm)	Indium In (ppm)	Gold Au (ppb)	Tin Sn (ppm)	Tantalum Ta (ppm)	Barium Ba (ppm)
2733.04	2733.43	0.39	6	0.59	2.8	1.36	17	<1	0.2	147.1
2735.95	2736.35	0.40	12	0.14	3.0	0.37	3	2	0.6	381.7
2736.35	2736.70	0.35	7	0.21	4.0	0.45	15	<1	0.2	171.9
2736.70	2737.53	0.83	16	0.46	7.8	0.31	<2	2	0.8	591.2
2737.53	2737.83	0.30	7	0.33	3.6	0.50	17	<1	0.3	314.9
2737.83	2738.13	0.30	6	0.16	20.0	3.72	11	<1	0.2	151.2
2738.13	2738.52	0.39	5	0.32	8.2	1.22	17	<1	0.2	102.7
2738.52	2738.78	0.26	20	0.31	8.2	0.11	8	4	1	901
2738.78	2739.20	0.42	16	0.52	13.3	0.10	23	4	0.9	639.4
2739.20	2739.53	0.33	5	0.60	7.3	0.66	10	<1	0.2	213.1
2739.53	2739.71	0.18	5	0.34	7.8	1.63	321	<1	0.2	131.4
2739.71	2739.91	0.20	4	0.12	9.3	1.04	32	<1	0.2	84.7
2739.91	2742.48	2.57	13	0.16	8.5	0.06	39	3	0.9	704
2742.48	2742.87	0.39	6	0.03	7.2	0.75	19	<1	0.3	93
2742.87	2743.16	0.29	5	0.02	5.7	0.61	7	<1	0.2	105.1
2743.16	2743.55	0.39	4	0.19	4.3	0.34	18	<1	0.2	37.6
2743.55	2744.91	1.36	17	0.44	2.6	0.11	525	4	1	830.6

Note: 1 ppm (parts per million) is equivalent to 1 g/tonne and 1 ppb (parts per billion) is equivalent to 0.001 g/t

The Company's experts interpret the intersection of "Sullivan-style" massive sulphides in SD#04-01 to represent the discovery of an entirely new SEDEX system and not a faulted-off portion of the historic Sullivan ore body itself. The low lead-zinc ratios in core samples, absolute thickness of the SEDEX interval, and lack of alteration suggests that the SD#04-01 intersection lies distal to the vent or feeder system.

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Further interpretation suggests SD#04-01 intersected the western edge of the new SEDEX system. Evidence for this interpretation is based on the observed extent of the UTEM3 conductor identified in 1996 and is further confirmed by the "footwall" rocks below the sulphide intersection in SD#04-01. This intersection clearly shows cross-bedding features indicating the axis of the sub-basin is east of the discovery hole, rather than more southerly oriented if the sediments had originated from the same feeder vent that produced Sullivan itself.

Based on the encouraging results from SD#04-01, the Company accelerated its plans for a Phase 2 program to consist of a new downhole UTEM4 geophysical survey (to refine the 1996 UTEM conductor), 'wedge' diamond drill holes from SD#04-01 to provide 100-300m (328-984 feet) step-out intercepts and a second drill rig for a 1.5 km (0.9 mile) step-out, all focused on quickly evaluating the size of the new SEDEX system.

On December 17, 2004, the Company announced preliminary results from a downhole UTEM4 geophysical survey completed by Lamontagne Geophysics Ltd. of Kingston, Ontario. The Lamontagne report concludes that the UTEM4 survey successfully delineated a strong conductive anomaly at and around the Sullivan Deeps massive sulphide intersection in SD#04-01 and confirms that it has a large scale footprint in the area previously identified by a 1996 UTEM survey. It is clear from the data that the centre of the conductor is located to the north of SD#04-01, and that the large anomaly amplitudes are evidence of a large conductor.

The anomaly is extremely conductive, calculated to be in excess of 5,000 Siemens as compared to the 80-100 Siemens range estimated and used in the 1996 survey. This high value is attributed to the fact that lower frequencies employed in this survey permitted differentiation between highly conductive pyrrhotite and weakly conductive host rocks. An in-hole conductor is coincident with the Sullivan Deeps sulphide interval intersected in SD#04-01.

Further, limits and spatial orientation of the overall anomaly have been estimated based on the response from a number of measurements taken down hole from electromagnetic fields generated by three 1.6 by 1.6 km (1 by 1 mile) loops on surface. As previously interpreted from geological considerations, the geophysical interpretation shows the drill hole intercept is located near the south-western limit of the conductor and the following directional models provide 'best-fits' to the response observed:

- South – the conductor has a southern limit estimated to be approximately 300m (985 feet) south of the drill hole intercept, and this limit is estimated to be 450m (1,475 feet) north of the Kimberley Fault. The fault is well constrained, projected from a control point only 400 m up dip in a previous deep drill hole. This observation confirms the geological interpretation that the anomaly is caused by a body not previously connected to the Sullivan deposit, but an entirely new and separate SEDEX system within the Sullivan sub-basin.
- North – the conductor is described as being 'OPEN' to the north of the hole, meaning that its actual length is very long and that it cannot be accurately estimated by the data collected. One model indicates the minimum north dimension of the conductor is 1,000 m (3,280 feet). Shorter modeled lengths fail to repeat the strength of the observed field results and therefore

the conductor must be in excess of that minimum length. Larger modeled lengths in excess of 3,000m (9,840 feet) also provide a response similar to the field data, hence the description 'OPEN'. Of particular interest, the modeling consistently demonstrated that the conductor was dipping to the south at an estimated 15 degrees. This southerly dip implies that the SD#04-01 intercept was at or near the lowest depth of the conductor and that future holes drilled to the north should intercept the conductor at a shallower depth.

- East – the model conductor has an apparent termination at a minimum distance of 650m (2,130 feet) east of the drill hole intercept. Geological considerations indicate that this may fix the location of the steep NNW dipping Kent Fault. The Kent Fault is a normal fault with an estimated displacement of up to 500m (1,640 feet), implying that the rocks to the east are up to 500m higher than on the west. The geophysical response does not preclude the presence of a separate (not connected electrically), large and shallower conductor east of the Kent Fault. Modeling suggests the conductor between the hole and Kent Fault dips gently westerly. These conclusions provide a compelling exploration opportunity as the target horizon east of the Kent Fault is estimated to be more than 500m closer to surface than the intersection depth in SD#04-01.
- West – much of the prior deep drilling on the property is interpreted to be in the western portion of the Sullivan sub-basin and the intersection in SD#04-01 demonstrates thickness and mineralogy analogous to the western fringe of the Sullivan deposit. Modeling of the geophysics indicates a locally folded conductor consistent with the folded stratigraphy identified during drilling of SD#04-01. The interpretation clearly locates the drillhole intercept on the western fringe of the conductor and establishes a western boundary for the Sullivan Deeps sulphide sheets, and continuation of the north-trending mineralized corridor.

Drilling activities were halted in mid-December for the holiday period and resumed in early January with the mobilization of a second diamond drill rig to a location approximately 1.3 kilometres to the northeast of SD#04-01. This second drill hole will be operating concurrently with the first drill rig which will be conducting a "wedge" program from the collar of SD#04-01. The first wedge hole is being planned to intersect the sulphide body approximately 100 metres to the northeast of the terminus of SD#04-01. A wedge will be set at approximately 2000 metres in SD#04-01 in order to provide the correct angle and ground conditions for this step-out.

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. Acquisition and deferred exploration costs to date totalling \$350,227 have been capitalized; however there is no assurance the Company will be successful in acquiring these properties of interest. The Company did not spend further funds on its Latin American initiatives during the quarter ended November 30, 2005.

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Operating Expenses and Loss

During the nine months ended November 30, 2004, the Company incurred a loss of \$282,653 compared to \$189,064 for the nine months ended November 30, 2003 largely because the Company was less active during much of the prior year.

The Company's third quarter loss of \$86,154 is down slightly from a loss of \$94,621 in the second quarter and up slightly from the loss for the 3 months ended November 30, 2003 of \$84,154. There were few material variances, except that advertising and shareholder relations expenses were \$17,260 compared to \$33,566 during the prior quarter and \$8,247 for 2003 with the difference made up largely in higher consulting expenses as management was required to spend much more time on the Sullivan Deeps project during completion of Phase 1 drilling.

Liquidity and Capital Resources

At November 30, 2004, the Company had cash and cash equivalents of \$688,025 and working capital of \$385,869 and is adequately funded to begin a Phase 2 work program at the Sullivan Deeps Project. The Company is currently being funded through the exercise of outstanding share purchase warrants and stock options (see also *Subsequent Events*) and may or may not complete further equity financings prior to completing the Phase 2 work program at the Sullivan Deeps Project.

Summary of Quarterly Results

	Nov. 30, 2004	Aug. 31, 2004	May 31, 2004	Feb. 29, 2004
Total revenues	Nil	Nil	Nil	Nil
Net income (loss)	(85,599)	(94,621)	(102,433)	(1,279,165) ²
Net income (loss) per share	(0.00)	(0.01)	(0.01)	(0.15)
Total assets	2,709,191	2,447,801	1,816,876	1,930,875
Total long term debt	Nil	Nil	Nil	Nil

	Nov. 30, 2003	Aug. 31, 2003	May 31, 2003 ¹
Total revenues	Nil	Nil	Nil
Net income (loss)	(84,310)	(79,126)	(26,295)
Net income (loss) per share	(0.01)	(0.01)	(0.01)
Total assets	1,096,717	1,227,624	332,188
Total long term debt	Nil	Nil	Nil

Notes:

- 1) The three-month period ended May 31, 2003 was the first interim reporting period for the Company.
- 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 nine-month period ended November 30, 2004, related party consulting fees of \$48,600 (2003 - \$29,000) 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 nine-month period ended November 30, 2004, related party consulting fees of \$39,200 (2003 - \$25,900) 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 nine-month period ended November 30, 2004, per-diem contract fees of \$33,500 (2003 - \$29,400) were paid or accrued to a director or a company controlled by a director. During the nine months ended November 30, 2004 rent costs of \$4,500 (2003 - \$4,500) were paid to a company with a director in common.

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.

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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	3,420,073
Exercise of Warrants at \$0.25	2,225,000	556,250
Exercise of Agent Warrants at \$0.25	201,850	50,463
Exercise of Agent Warrants at \$0.25	358,750	125,562
Balance as at November 30, 2004	23,299,417	\$ 4,152,348
Exercise of Warrants at \$0.25	225,000	56,250
Exercise of Stock Options at \$0.25	150,000	37,500
Exercise of Stock Options at \$0.35	150,000	52,500
Balance as at January 24, 2005	23,824,417	4,298,598

During the nine months ended November 30, 2004, 358,750 Agent Warrants were exercised for \$0.35 per share for cash proceeds of \$125,562.

During the nine months ended November 30, 2004, 201,850 Agent Warrants were exercised for \$0.25 per share for cash proceeds of \$50,463.

During the nine months ended November 30, 2004, 2,225,000 Warrants were exercised for \$0.25 per share for cash proceeds of \$556,250. Of this amount, a total of 75,000 Warrants were exercised by Directors and Officers of the Company

As at November 30, 2004, the following share purchase warrants are outstanding:

	<u>Number</u>	<u>Price per Share</u>	<u>Expiry Date</u>
Agent Warrants	147,500	\$ 0.25	July 26, 2005
Warrants	7,775,000	\$ 0.25	July 26, 2005

Subsequent to the end of the nine months ended November 30, 2004, a total of 225,000 Warrants exercisable at \$0.25 per share were exercised for proceeds of \$56,250. At the date of this report, the following share purchase warrants were outstanding:

	<u>Number</u>	<u>Price per Share</u>	<u>Expiry Date</u>
Agent Warrants	147,500	\$ 0.25	July 26, 2005
Warrants	7,550,000	\$ 0.25	July 26, 2005

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A summary of the company's stock options at November 30, 2004 and changes for the period are as follows:

Number at Feb 29, 2004	Granted	Exercised	Cancelled	Expired	Number at November 30, 2004	Exercise Price Per Share	Expiry
635,000	-	-	-	-	635,000	\$0.35	July 31, 2008
250,000	-	-	-	-	250,000	\$0.35	July 31, 2008
150,000	-	-	-	-	150,000	\$0.35	Aug 25, 2008
340,000	-	-	-	-	340,000	\$0.25	Feb 2, 2009
675,000	-	-	-	-	675,000	\$0.25	Feb 2, 2009
2,050,000	-	-	-	-	2,050,000		

Subsequent to November 30, 2004, 150,000 stock options exercisable at \$0.25 per share were exercised for proceeds of \$37,500 and 150,000 stock options exercisable at \$0.35 per share were exercised for proceeds of \$52,500. A summary of the company's stock options at the date of this report are as follows:

Number at November 30, 2004	Granted	Exercised	Cancelled	Expired	Number at January 24, 2004	Exercise Price Per Share	Expiry
635,000	-	-	-	-	635,000	\$0.35	July 31, 2008
250,000	-	-	-	-	250,000	\$0.35	July 31, 2008
150,000	-	150,000	-	-	-	\$0.35	Aug 25, 2008
340,000	-	-	-	-	340,000	\$0.25	Feb 2, 2009
675,000	-	150,000	-	-	525,000	\$0.25	Feb 2, 2009
2,050,000	-	300,000	-	-	1,750,000		

Subsequent Events

Subsequent to the period ended November 30, 2004, 150,000 stock options exercisable at \$0.25 per share were exercised for proceeds of \$37,500, 150,000 stock options exercisable at \$0.35 per share were exercised for proceeds of \$52,500 and 225,000 Warrants exercisable at \$0.25 per share were exercised for proceeds of \$56,250.