

SEABRIDGE GOLD

To ensure interested people have access to the most up to date information about Seabridge Gold's KSM Project, Seabridge has prepared a written response to the questions presented jointly by Earthworks and Mining Watch Canada at the company's Annual General Meeting held on June 24, 2015.

Q: Why is KSM willing to put the wellbeing of our communities at unnecessary risk, along with those of investors and shareholders, when experts have made it clear that this type of technology will inevitably lead to more failures? Will Seabridge adapt its KSM project so that it complies with the recommendations for dry tailings of the expert panel?

Seabridge Gold agrees with Earthworks, MiningWatch, the British Columbian government and the public that there should never be another Mt. Polley-like incident. That is why KSM's tailings design was reviewed over a seven year period by B.C. and Federal regulators with input from the Nisga'a Nation and four First Nations. The final design was endorsed by B.C., Canada and the Nisga'a Nation. KSM's design is state of the art technology, utilized at many of the world's largest mining operations in a safe and efficient manner. It is very similar to the tailings management facility at Highland Valley Copper, also located in B.C., which has operated safely for decades.

Seabridge has appointed an Independent Geotechnical Review Board (IGRB), headed by Dr. Andrew Robinson, a geotechnical engineer with more than 45 years' experience, to provide independent, expert oversight, opinion and advice to Seabridge on the design, construction, operational management and ultimate closure of the tailings management facility. The results of the IGRB's meetings will be shared with the Government, aboriginal groups and other stakeholders who participated in the environmental assessment of the project.

Comparing the KSM tailings management design to Mt. Polley is like comparing apples to oranges. Some examples of the differences include:

- Mount Polley's tailings facility is earthen ring dam constructed with till material with a 1.5:1 slope angle. The KSM tailings facility is situated in a very long valley, confined by topography with short dams on either ends. The dams will be constructed with engineered double cyclone sands at a 3:1 slope ratio, providing more stability over the long term.
- Mount Polley's design retained water over the long term without the ability to discharge. KSM will not retain water over the long term and any temporary water will be kept hundreds of meters away from the crests of the dams. Most importantly, Seabridge will be allowed to discharge water from the facility.

The Mount Polley report indicated dry stack tailings is *one example of several options* of Best Available Technology and it should be considered where appropriate. Seabridge investigated using this technology at KSM as part of its environmental assessment and concluded that due to our designed throughput and the region's positive water balance, dry stack tailings are not applicable.

Q: Given the concerns of Alaskan Tribes, will Seabridge publicly support an International Joint Commission review?

A: Both Canadian and U.S. concerns were taken into account during the environmental assessment process and Canadian citizens expressed the same concerns as U.S. citizens with respect to water and waste management. During the seven year environment assessment process, along with Provincial regulators, Federal Regulators and affected Canadian First Nations, Seabridge engaged with Alaskan Regulators, the US EPA and Alaskan Tribes. In fact, we had more than 80 different interactions with U.S. regulators during this process.

During the environmental review, Seabridge agreed to many design changes regarding water and waste management to address concerns of both Alaskans and Canadians. Additionally, early on EPA and Alaskan authorities recognized the water coming out of the valley and into the Unuk River is naturally contaminated. Our design will actually improve the water quality now flowing into Alaska because we will treat all water that is released, and ensure Canadian water quality standards are met and there is no impact on Alaskan waters.

The International Joint Committee (IJC) is a political body which will not provide any new technical information that has not already been considered and dealt with during KSM's seven years of review. We support the Canadian government's conclusion that an IJC is not warranted.

C: Seabridge's potential ability to attract financing:

A: If KSM is not economic, we will not find a suitable operator with whom to partner. However, there are many factors that determine a project's economic viability and we are confident the project is economically viable even at today's metal prices. We are preparing a new technical study on the deposit which reflects updated metal prices. It also reflects the lower costs of steel and labour and a more favourable exchange rate between the U.S. and Canadian – which will help to offset the lower metal prices.

Q: Why should KSM, which presents similar risks (to the Pebble proposal in southwest Alaska) fair differently?

A: Comparing KSM to Pebble is not appropriate. We have gone through the process of demonstrating a safe and robust project which now has the endorsement of both US and Canadian regulators as well as the Treaty and First Nations that could be most affected by its development.

Seabridge is always willing to discuss and answer questions about the KSM Project. Please email us at ksm_community@seabridgegold.net or call our Smithers office at 250.847.4704.