

## PERMITTING FOR MITCHELL TREATY TUNNELS

### FACT SHEET

#### Licence of Occupation

- Seabridge was granted a Licence of Occupation (LoO) for the Mitchell-Treaty Tunnels (“MTT”) on September 26, 2014. The MTT are two 23 km long parallel tunnels that connect the proposed KSM Mine Site and the proposed KSM processing plant and tailings management facility area (“PTMA”). Approximately 12.5 km of the MTT route (and, therefore, the LoO) traverse mineral claims owned by third parties (the “Third Party Claims Holders”).
- A LoO is a form of land tenure similar to a right-of-way, and entitles the holder to use the specified area of land for the purpose(s) specified in the LoO.
- The area specified in the LoO is a corridor of land approximately 110 m wide in which the MTT will be constructed.
- The LoO specifies it is granted for the purpose of constructing underground infrastructure to connect mining operations in geographically separate locations, as described in the associated Management Plan. Under the Management Plan, Seabridge has agreed to:
  - Provide the Third Party Claim Holders certain geological/technical data collected during tunnel construction.
  - Segregate and store all material extracted from the mineral claims of the Third Party Claims Holders during construction and provide the Third Party Claims Holders the right to take delivery of, and retain, such material at their own risk and expense or to relinquish their interest in such material to Seabridge, who will thereafter own it and be responsible for storing it.
  - Provide the Third Party Claims Holders access to the MTT, once constructed, to conduct exploration from the tunnel cross-cuts, subject to complying with various conditions on such activity.
  - Not undertake construction of the proposed MTT in areas for which it has not received the applicable permits for construction activities under the *Mines Act* of British Columbia. . Those permits which have been granted to Seabridge (Permits MX-1-571 and MX-1-763 discussed below) only cover construction activities in specified, limited areas. The Ministry of Energy and Mines imposed this as a condition in order to ensure that, before proceeding with the remainder of the MTT, Seabridge must first obtain additional permits which obligate it to observe the appropriate environmental, operational, and safety requirements of the *Mines Act* for the additional work.
- The LoO is subject to the rights of the Third Party Claims Holders for the mineral claims through which the LoO passes. Mineral claims provide exclusive mineral rights for the lands they cover but they do not give exclusive rights to use the relevant land. The Crown has the authority to

grant rights to use land subject to mineral claims for many purposes, including roads and power lines. Seabridge believes that the mineral rights of the Third Party Claims Holders are addressed by the terms of the Management Plan requiring Seabridge to segregate and deliver to the Third Party Claims Holders all material extracted during MTT construction from the mineral claims held by them.

- Neither the LoO nor the Management Plan require any consent of, or agreement with, the Third Party Claims Holders or any condemnation drilling as a condition of Seabridge exercising its rights to occupy the area of the LoO.
- Once the MTT are constructed, the LoO may be converted into a right-of-way that applies to the area of the land actually occupied by the MTT, including the cross-cuts.

### **Construction Permits**

- Seabridge was also granted Permits MX-1-571 for activities at the Mine Site and MX-1-763 for activities at the PTMA and Treaty Saddle sites under the *Mines Act* on September 26, 2014. The Treaty Saddle site is on land subject to mineral claims owned by the Third Party Claims Holders. These permits include authorization for the following:
  - Construction of the MTT portals at each of the Mine Site, the PTMA and the Treaty Saddle, including MTT construction up to and including the first tunnel cross cut.
  - Construction of both temporary and long term surface infrastructure at the Saddle Portal.
- Neither Permit MX-1-571 nor Permit MX-1-763 requires any consent of, or agreement with, the Third Party Claims Holders or any condemnation drilling as a condition of Seabridge exercising its rights to complete this construction.

Additional information:

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