

SEABRIDGE GOLD

July 16, 2019

Via Email

United Fishermen of Alaska
Juneau, Alaska

Attention: Frances H. Leach
Executive Director

Dear Ms. Leach:

RE: Correction of the Record, “Transboundary Mining: Alaska’s senators are working hard. Now let’s lock it in.”, July 11, 2019

I am writing to correct the statements made in your opinion editorial titled, “*Transboundary Mining: Alaska’s senators are working hard. Now let’s lock it in.*” published on July 11, 2019 in SitNews.

The opinion article states, “*As they’re currently being permitted, B.C’s large-scale, open pit transboundary mines threaten all of that (commercial fishing).*”

This statement is inaccurate and does not stand true for Seabridge Gold’s KSM Project. The proposed KSM Project underwent a rigorous independent joint harmonized BC-CANADA Environmental Assessment over a seven-year period (2007-2104), a regulatory review that also involved both US Federal and State representatives working alongside Provincial and Federal regulators.

As noted in the decision statement of the Canadian Minister of the Environment: *The project is not likely to cause adverse environmental effects as defined in the former Act, taking into account the implementation of mitigation measures described in the report ... the mitigation measures and follow up programs described in the Report are appropriate for the project.*

The British Columbia Ministers of Environment and Energy and Mines concluded, “*the project will be constructed, operated and decommissioned in a way that ensures that no significant adverse effects are likely to occur.*”

The KSM Project’s mineral deposits are situated above the BC/Alaska Border on Sulphurets Creek, a tributary of the transboundary Unuk River. Due to the deposit’s location, concerns of Alaskans along with the potential impacts to Alaskan waters were an important focus and carefully evaluated during both the provincial and federal environmental assessment reviews. Alaskans expressed the same concerns as Canadians, and all concerns were given equal weight in the assessment process and ultimately were fully mitigated within the design of the proposed project.

Throughout the environmental assessment review period, Seabridge engaged in regular communications with US Federal and State agencies who represent the views of their constituents, including your membership. Between July 17, 2008 and, April 2019, Seabridge had more than 140 interactions (including meetings and correspondence) with at least ten US Federal and State agencies. Additionally, Seabridge worked closely with Alaskan environmental non-governmental organizations and communities, to ensure their concerns were acknowledged, addressed, and reflected in the KSM Project record throughout the Environmental Assessment (EA) process. Our efforts included: public notices, public information sessions, meetings with NGOs, an open house in Ketchikan, and tribal meetings and presentations.

The independent CEAA Report acknowledged and summarized these comments for the public record as follows: *"Residents of the United States, including tribal groups, raised concerns over the Project's potential transboundary impacts on fish, recreational and commercial fisheries, and human health from degraded water quality and changes in water quantity in the Unuk River."*

The State of Alaska was concerned about the potential elimination of fish habitat in BC watersheds that drain to Alaska, and the impact downstream to Alaskan fishery resources and water quality. Following the EA process, the participating US Federal and State agencies did not identify any outstanding transboundary concerns. An April 2014 article in the Juneau Empire described the US's review of the KSM Project as follows: *"Four of the same resource managers and specialists who review Alaskan mines have examined KSM's plan, said Kyle Moselle of the Alaska Department of Natural Resources. They found no significant issues with the application."*

Moreover, the CEAA Report states the participating US Federal and State agencies did not identify any outstanding transboundary concerns with the EA.

Alaskan concerns and mitigation of these concerns were also identified within the British Columbia Provincial Government's "Reasons for Ministers' Decisions on the KSM Project. The document stated: *Concerns were raised by Alaskan non-government organizations regarding the potential effects of diminished water quality on fish and aquatic habitat in Alaska. After considering input from the Working Group, (including agencies from the State of Alaska and US federal government) EAO proposed a number of conditions to address potential effects to downstream water, fish and aquatic habitats. Proposed conditions include the requirement to have a fully operational selenium treatment plant by year five of operations; constructing water treatment facilities prior to the mining of any ore; the requirement for a comprehensive Aquatic Effects Management Plan, Selenium Management Plan, Water Management Plan and a Groundwater Monitoring and Mitigation Plan. All of these conditions will become legally enforceable. The EAO concluded there would be no significant adverse effects to surface or groundwater quality or quantity, fish or aquatic habitats. As a result of this conclusion, EAO also concluded that there would be no significant adverse effects to fish and aquatic habitat from degradation of water quality and we concur with this finding"*.

As a result of the feedback received during the EA processes, major design changes and additions were incorporated into the design of the mine site (i.e., the portion of the KSM Project that flows directly into Alaska), particularly changes focused on water management and treatment processes respectively.

Cumulative Effects

A regional cumulative effects assessment and alternative analyses were also completed, as required by CEAA (and BC), contrary to the assertion in your letter. The Federal Minister, in making her decision,

relied upon a Canadian Environmental Assessment Agency scientific report which stated, “*The agency has concluded that no significant adverse impacts on water quality, water quantity, fish, or human health are expected on the Alaskan side of the Unuk River.*” This assessment included an evaluation of 14 additional foreseeably future projects. The cumulative effects assessment information can be found in Chapter 37 of the environmental assessment document.

Conclusions

It is important to note that exploration activity and minerals claims in an area does not always lead to the development of a mine. It takes 500 to 1,000 grassroots exploration projects to identify 100 targets for advanced exploration, which in turn lead to 10 development projects, one of which becomes a potential economic project¹. As it stands currently, the KSM Project is a planned mining project with accompanying Federal and Provincial Environmental Assessment approvals.

We do not agree with the sentiment expressed throughout the article that BC is rushing through permitting processes without considering downstream impacts. To date, we are not aware of any ongoing impact to Alaskan waters from historical and or current BC mining activity. Ongoing monitoring by Seabridge on the Unuk River at the BC/Alaska border over the past 10 years has created a valuable database of baseline water and aquatic characteristics which highlight widely variable water chemistries, variations which can only be attributed to a natural process and not industrial activity within BC.

As we experienced through our own KSM Project, the BC EA process includes a five-pillar assessment and ensures that any potential environmental, economic, social, heritage and health effects that may occur during the lifetime of a major project, are thoroughly assessed. The environmental assessments are always accompanied by certificate conditions which respond to concerns raised by communities including Alaskans and Indigenous groups during consultation and to the key areas of provincial and federal interest and jurisdiction. Bound by such strict regulations and conditions, it is safe to claim BC’s major projects, which are currently permitted, are environmentally highly sustainable and responsible.

Local representatives within the Alaskan Department of Natural Resources have valuable information on how potential impacts to Alaskan waters are being addressed and mitigated through legal Canadian environmental review processes. Further, abundant information is available from the proponents of the proposed projects, including KSM. I encourage you to look into these resources and contact us should you need any further information.

Seabridge will continue to ensure that factual information regarding KSM is provided and shared.

Yours truly,



R Brent Murphy, M.Sc., P.Geol.,
Vice President, Environmental Affairs

Cc: Editor, SitNews

¹ Mineral Exploration and Development: Risk And Reward, Roderick G. Eggert, 2010