

June 08, 2021

Via Email

State Capitol Room 513
Juneau AK, 99801

Attention: Representative Dan Ortiz

Dear Representative Ortiz:

RE: Your Recent Mention of Seabridge Gold's KSM Project in the media

I am writing in regard to the recent Canadian Press article titled, '[Lawmakers in Alaska and Washington state push B.C. on mining regulations](#)', published on June 1, 2021, which included a quote from you referring to Seabridge Gold's KSM Project, when highlighting concerns about the potential impact of BC based/proposed tailings dams on salmon watersheds and Alaskans in general.

Based on your comment in the article, we understand you and the members of your constituency have some concerns about our Project and we wanted to address them through this letter, especially regarding our engagement with Alaskans, and our KSM Project's tailings management facility.

Working with Alaska

As you know, 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.

Seabridge Gold's KSM Project received its environmental approvals from the province of British Columbia in July 2014 and from the Government of Canada in December 2014. Throughout the environmental assessment review period, Seabridge engaged in regular communications with US Federal and State agencies who represent the views of their constituents. 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

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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 Canadian Environmental Assessment Agency (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 Agency is satisfied that identified mitigation measures for the Project would address potential impacts in Alaska on fish; recreational and commercial fisheries and human health from changes to water quality and quantity in the Unuk River."* You can access the report here - https://ksmproject.com/wp-content/uploads/2014/07/34-081-CEAA_KSM_EN_R4_X4.pdf

Additionally, we want to remind you that both Alaskan and US Federal regulators participated in the environmental assessment review. The participating US Federal and State agencies did not identify any outstanding transboundary concerns following the EA processes. In fact, 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 3 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. 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 including those of Alaskans, 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.

Tailings Management Facility

We wish to take this opportunity to highlight again, that the proposed KSM Project's Tailings Management Facility (TMF) is located in the upper reaches of the Bell Irving River Basin and drains into Canadian waters and **not into any US waterway**, contrary to assertions of many Alaskans and Alaskan based organizations. The TMF site underwent extensive independent evaluation by independent experts hired by the various Indigenous groups and government experts during the almost 7 years of joint harmonized environmental assessment review and the design is considered safe.

Additional information on the TMF is as follows:

- KSM Project's TMF design (and future operations) is annually reviewed by the **Independent Geotechnical Review Board (IGRB)** formed by Seabridge in 2015, which is comprised of world-class experts in tailings management with more than 300 years combined experience. In April 2016, the IGRB confirmed that the design of the proposed structures for the KSM Project were **appropriate and safe**.
- Seabridge Gold also voluntarily initiated a **Best Available Tailings Technology (BATT) Review** of the planned management approach for the KSM Project, in 2015/2016 well after the receipt of the environmental assessment approvals, as we wanted to ensure again that the best and safest approach for tailings management had been selected. This study **confirmed that the existing** tailing management facility design is the **best available technology** for tailings deposition and the most environmentally responsible plan to minimize long term risks associated with the proposed tailing storage facility for the KSM Project. Please read the [BAT Report](#) and the [Plain Language Summary of the BAT Report](#) to learn more about the tailings management at the KSM Project and the conclusions from the study.
- Furthermore, Seabridge also commissioned an **independent review of the BATT report by Dr. Dirk van Zyl**, a world-recognized expert in tailings, mined-earth structures and sustainability with more than 40 years of experience. He also sat on the Mount Polley Independent Expert Review Panel. In his review, Dr. van Zyl concluded: **"I support the overall conclusions of the KSM BAT report."**

Water quality near the KSM Project

Protecting and improving the water quality in and around the KSM Project is one of Seabridge Gold's top priorities, and indeed a potential benefit of the development of the project. In fact, we are spending approximately \$1-1.5 M million annually, on water quality monitoring programs, sampling up to the BC/Alaska border on the Unuk River. Based on the data collected, it has been determined that Mitchell and Sulphurets creeks (flowing into the Unuk River in Alaska) contain elevated concentrations of selenium and other metals within the water, due to the natural erosion of the Mitchell Deposit, situated in the upper reaches of the Mitchell Creek.

The pictures below demonstrate the existing natural conditions around the KSM Project and in particular the current water quality issues in this region.



Photo 1: Confluence of Sulphurets Creek with the Unuk river depicting the impact of the natural erosion of the upstream mineral deposits on the regional water quality. The confluence is located approximately 22 miles upriver from the Alaska/BC border.



Photo 2: The Mitchell Deposit highlighting the natural erosion and oxidation processes at work. Please note the presence of “green” copper sulphate staining in the middle left portion of the photograph.



Photo 3: Existing conditions at the KSM and downstream areas. Seep water near the Mitchell Glacier Toe.

For Seabridge Gold, protection of the environment in both Canada and in the US is a guiding principle behind the design of the KSM Project. The company has put the KSM Project through extensive environmental and technical evaluations by independent experts to ensure its operation will not cause harm to the surrounding environment, including waterways and fish, and has worked closely with all stakeholders, including Alaskans, to ensure that their concerns were acknowledged and addressed throughout the environmental assessment review. We are confident in our design and the robustness of the environmental assessment review processes that were mandated by BC and Canada, respectively.

We understand that you are the voice of the people in your constituency and have their best interests in mind. We have sent information about the KSM Project to you several times in the past with the most recent being our May 6, letter to the House Fisheries Committee, of which you are a member, requesting that you contact us should you have any questions. We again encourage you to educate yourself about the KSM Project, the rigorous and recent changes that the BC Government have implemented to its mining regulations. You can reach me via email brent@seabridgegold.com or telephone at (416) 367 9292. I thank you for your time.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "R Brent Murphy". The signature is fluid and cursive, with the first name "R Brent" and the last name "Murphy" clearly distinguishable.

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

RBM/RS/...

CC. Kyle Moselle, Executive Director, Alaska Department of Natural Resources