KSM MINING ULC

July 17, 2023

Via Email - tim@salmonstate.org / info@salmonstate.org

Attention: Tim Bristol Executive Director, SalmonState

Dear Mr. Bristol:

RE: Misleading Portrayal of KSM Project as Operating Mine in Video

I am writing to bring to your attention the inaccuracies presented in the video titled 'No One's Wasteland,' which you recently promoted on your social media platforms. Specifically, I would like to address the misleading information pertaining to the KSM Project, which warrants immediate clarification.

In the video, it is falsely asserted that tailings from Canadian mining companies are impacting the Taku, Unuk, and Stikine rivers and negatively affecting downstream communities in Alaska. **One of the examples used to support this claim is the KSM Project, which is referred to as the "KSM Mine" creating the impression that it is an operational mine. However, this characterization is far from accurate. KSM is not a functioning mine and is still in its developmental stages**. While there are plans for its future establishment as a mining operation, it is important to distinguish between the present status of the project and the depiction provided in the video. By inaccurately labelling the KSM Project as a functioning mine, the video perpetuates a false narrative and distorts the current status of the Project.

Furthermore, the video implies that a KSM Project Tailings Management Facility (TMF) is situated on the Unuk River and adversely affects the water quality and the salmon population, **which is inaccurate for two reasons -** First, the KSM TMF has yet to be constructed. Second, when it is built, it will be located in the upper reaches of the Bell Irving River Basin and will drain into Canadian waters, not the Unuk River, or any other US waterway.

Given the seriousness of these inaccurate claims, we request you either immediately remove the video or make the necessary edits to accurately reflect the current status of the KSM Project and the location of TMF.

We would also like to take this opportunity to share factual information about our KSM Project so that any of your future communication is accurate.

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KSM, an Environmental Assessment (EA) approved Project

The KSM Project is located in British Columbia (BC) and must follow Canadian and BC - not US and Alaksa - regulations which are recognized to be among the most stringent in the world, and as you know the same would be true if the project was based in Alaska/USA.

It is also important to note the KSM Project has successfully completed a rigorous joint harmonized Environmental Assessment (EA) review as outlined by the <u>British Columbia</u> <u>Environmental Assessment Act</u>, the Canadian Environmental Assessment Act and in accordance with Nisga'a Lisims Treaty over a seven-year period (2008-2104). More than 250 scientists, engineers, Indigenous partners, and regulators developed and meticulously reviewed the information pertaining to the KSM Project. Additionally, more than **15,000 people from British Columbia and Alaska actively engaged in public meetings, consultations, and Project information sessions prior to the Project's approval.** It is crucial to note that the approval of the KSM Project was based on the understanding that there would be no negative effects on the downstream water, aquatic life, or the surrounding communities. This stands in stark contrast to the claims promoted in the video.

The Canadian Government, as represented by the former Minister of the Environment, in her decision statement approving KSM, concluded "The project is not likely to cause adverse environmental effects as defined in the former Act (referring to the Canadian Environmental Assessment Act 19912), taking into account the implementation of mitigation measures described in the report" and "the mitigation measures and follow up programs described in the Report are appropriate for the project."

Furthermore, the 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.*"

Working with Alaska

The KSM Project's mineral deposits are situated geographically north of the BC/Alaska Border on Sulphurets Creek, a tributary of the transboundary Unuk River, an area in which both the BC and Canadian governments allow responsible mineral exploration and mining to occur. As mentioned earlier, being a Canadian Project **KSM does not require any permits from US jurisdictions, including Alaska. However, due to the deposit's location and being a responsible company, Seabridge is working extensively with Alaskan State and US Federal regulators (140+ meetings, interactions and correspondence) and engaged with Alaskan tribes and ENGOs during the EA Process to understand and address their concerns.** Alaskans expressed the same concerns as Canadians, and those concerns were given equal weight in the assessment process and ultimately, they were fully mitigated within the design of the proposed Project adding more than C\$300 million in design changes to the Project's capital cost. Alaska-specific changes include –

- Changed the water management approach on the mine side of the Project, to mimic mine discharge with high seasonal flows.
- Incorporating lined centre cell in the TMF to store sulphide-rich tailings.

The independent Canadian Environmental Assessment Agency 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.

The participating US Federal and State agencies also did not identify any outstanding transboundary concerns following the EA processes. The involvement of Alaskan regulators was documented in a 2014 Juneau Empire article which summarized the conclusions of these regulators, "four of the same resource managers and specialists who reviewed Alaskan mines have examined KSM's plan. They found no significant issues with the application."

Most recently, representatives of the Alaska Department of Fish and Game, and Alaska Department of Environmental Conservation attended Seabridge Gold's Environmental Workshop. **You can find the Seabridge team's detailed interaction with Alaskans** <u>here.</u>

Engaging with our Indigenous Partners and Local Communities

For the past 12 years, Seabridge Gold has worked closely with our Indigenous partners and local communities in northwest BC to gain the social license to operate. Because of the trust built through consultations, engagements and the accommodations we have made to address their concerns, Seabridge entered into a comprehensive Benefits Agreements with both Nisga'a Lisims Treaty Nation in 2014 and the Tahltan Nation in 2019 (the First Nations on whose traditional territory the KSM Project is located), covering protections of Indigenous rights, the environment and shared economic benefits for the KSM Project. On January 26, 2023, these two Nations also formally announced their newly established <u>Treaty Creek Limited Partnership</u> that will optimize their participation, maximize economic benefits and create new opportunities for Nation members through training, employment, and contracting at our KSM Project.

Seabridge Gold also has an environmental agreement with the Gitanyow Wilps and the Gitxsan Hereditary Chiefs have endorsed the Project with a letter of support for the environmental assessment approval. We have also received letters from the local communities of Terrace and Smithers supporting the KSM Project and an independent perception audit conducted in 2020 revealed that approximately 61% of residents in northwest BC either strongly supported or supported the KSM Project.

These agreements, support letters and the positive survey results are a testament to our commitment to meaningful consultation, cooperation, and building strong partnership with our

Indigenous partners and local communities. We value their input, respect their rights, and actively engage with them to ensure their voices are heard and their interests are considered in all aspects of the project.

At Seabridge Gold, the protection of the environment in both Canada and the US is a guiding principle behind all our Projects. We are dedicated to developing all our projects responsibly, and we would again like to emphasize that the KSM Project has undergone rigorous environmental and technical assessments by independent experts to ensure that its operation does not pose any harm to the surrounding environment including Alaska.

We respectfully reiterate our request that you either immediately remove the video or make the necessary edits to accurately reflect the current status of the KSM Project and the location of the KSM Project's TMF. I would be happy to answer any questions you may have. You can reach out to me via email brent@seabridgegold.com.

Thank you for your time.

Sincerely,

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R. Brent Murphy, M.Sc., P.Geo Senior Vice President, Environmental Affairs Seabridge Gold

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