



Environmental Management

Seabridge recognizes that mining affects the environment. We will work with the provincial and federal governments, Aboriginal peoples, and local communities to minimize potentially adverse project effects, discuss options, and plan for successful mine closure and reclamation.

Project Design

Design provisions to protect the environment include:

- Tailing Management Facility located in an area with easily managed surface water flows.
- Water management plan for the proposed mining area to minimize effects on natural watercourses and treat affected water.
- Diversion tunnels to direct clean water around areas disturbed by mining.
- Run-of-river hydro-electric generation of green energy in diversions and process streams.
- Use of energy efficient equipment will reduce energy consumption and greenhouse gas emissions.
- Slurry pipeline in a tunnel to transport ore to the process plant. The pipeline has lower energy consumption than other alternatives, reduced risks of a spill, and low operating risk in event of a spill. It creates fewer disturbances than a surface pipeline, conveyor or haul road.
- Use of existing access roads as much as possible to minimize additional road construction.
- Use of access roads limited to authorized personnel, along with restrictions on employee hunting and fishing, to prevent harvesting pressure on fish and wildlife.
- Avoidance of biologically and culturally sensitive Treaty Creek Valley.

The KSM Project has been designed, and will be developed and operated, using the highest practicable standards of environmental management.

Project Operations

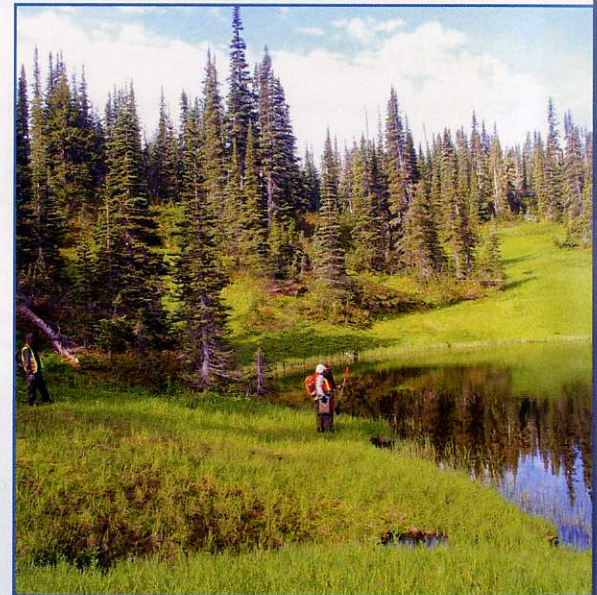
Operating policies will include:

- Use of best environmental practices.
- Spill avoidance and spill control plans.
- Emergency response plans.
- Reduce, re-use, recycle initiatives to minimize waste.
- On-going energy efficiency initiatives.
- Adaptive management towards continual improvement.
- On-going community engagement.

Project Closure

Reclamation and monitoring:

- Financial security will be provided to ensure
 - appropriate restoration of the site when mining ceases.
 - on-going water treatment and monitoring.
- An approved fish habitat compensation plan to replace affected fish habitat.



The Nass River, located downstream of the project, has one of British Columbia's most viable commercial salmon fisheries. Protecting this resource is essential for developing a sustainable project.



Human Environment Studies

Seabridge is conducting studies to understand the current human environment near the proposed KSM Project. This will help to assess potential project effects on regional residents.

Socio-Economics

Socio-economic studies have identified the social, economic, heritage, and health components of regional and local communities that could potentially be affected by the proposed project.

- This information is used to guide the project's design and operation. It also helps to enhance community benefits and opportunities while minimizing potentially negative effects.

Archaeology

The archaeological study identifies archaeological and historical sites within the proposed KSM Project area.

- Multiple archaeological sites were found, and are now protected.
- Historic land use sites, primarily associated with prospecting and mineral exploration, were located and recorded.



Traditional Knowledge

Local Aboriginals' traditional knowledge (TK) provides valuable information important to a comprehensive environmental assessment process.

- TK may include information about wildlife and habitat as well as traditional, historical and on-going land uses with links to the social and cultural aspects of local communities.
- The KSM Project Team recognizes the sensitive nature of TK and seeks to work collaboratively with Aboriginal knowledge holders in a mutually beneficial manner.

Country Foods

This study evaluates the quality of foods potentially harvested in the proposed project area.

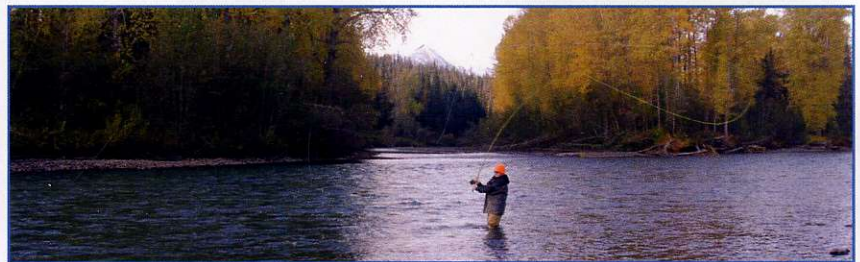
- Studies determine the naturally-occurring levels of metals found in plant and animal species that could be harvested within the project area. This information is used to monitor the quality of food species within or surrounding the proposed project site once development is underway.



Land and Resource Use

Land and resource use studies identify land users and owners and their activities in the proposed KSM Project area and surroundings. Potential project effects on existing land use are determined, and appropriate mitigations are developed. Potential land users and owners include:

- Aboriginal peoples
- Hunters, trappers and fishers
- Guide outfitters
- Tourism and recreation operators
- Private property owners
- Users of parks and protected areas
- Mining, oil and gas tenure holders
- Forestry tenure holders



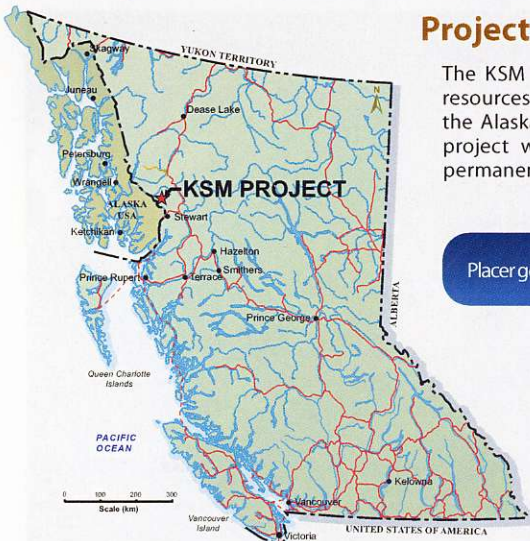
Seabridge is dedicated to establishing strong relationships with the communities surrounding the proposed KSM Project site. We initiated our community engagement process in 2008. We will continue to seek the involvement of local Aboriginal peoples, regional towns, and interested parties as the project proposal develops. In addition to creating 600-800 direct jobs during operations, Seabridge is committed to hiring local employees, sourcing from local firms, and supporting local businesses wherever possible.

For more information on the project please contact us at community@seabridgegold.net or visit www.seabridgegold.net

For more information on the environmental assessment process please contact the Environmental Assessment Office at eaoinfo@gov.bc.ca or visit www.eao.gov.bc.ca



Project Overview



Project Overview

The KSM Project is a proposal to build a mine at the site of one of the largest undeveloped gold resources in the world. The project is located about 65 km northwest of Stewart and 30 km northeast of the Alaska border. The now-closed Eskay Creek mine is located about 20 km to the northwest. The project will employ up to 1,200 people during construction and will create between 600–800 permanent jobs during mine operations.

Placer gold was discovered in the proposed KSM Project area in the late 1800s.



Project Details

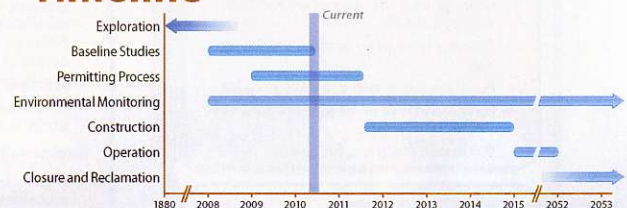
- The KSM Project is made up of three large gold and copper deposits. The total resources identified to date are described in the following table:

Category	Tonnes (000)	Gold Grade (g/t)	Gold Ounces (000)	Copper Grade (%)	Copper Lbs (millions)
Measured	659,700	0.64	13,574	0.17	2,472
Indicated	1,477,400	0.53	25,362	0.23	7,544
Inferred	757,100	0.43	10,403	0.16	2,671
Total	2,894,200		49,339		12,687

Within this total, the preliminary feasibility study determined that these deposits contain proven and probable reserves of 30.2 million ounces of gold and 7 billion pounds of copper.

- The ore deposits will be mined as open pits using earth-moving equipment. Project components include ore and non-ore rock handling, mineral processing, tailing and non-ore rock management, road access, a transmission line, concentrate shipping, and accommodation, administration and maintenance complexes.
- The mine will produce about 120,000 tonnes of ore per day.
- Trucks will take the gold/copper concentrate to Stewart for transport by ship to market.
- The proposed mine has a 37 year life. This duration creates multi-generation job opportunities.
- The project's capital cost is estimated at \$3.4 billion.
- During operation, the project will generate significant tax revenues and royalties to governments.

Timeline



* The timeline is estimated and dependent on numerous variables.



Project Components

Access Road from Eskay Creek

- Controlled access to limit effects on fish and wildlife.
- 35 km long.
- Bridge over Unuk River.

Teigen Access Road

- 14 km link to Highway 37.
- Controlled access limits effects on fish and wildlife.

Transmission Line

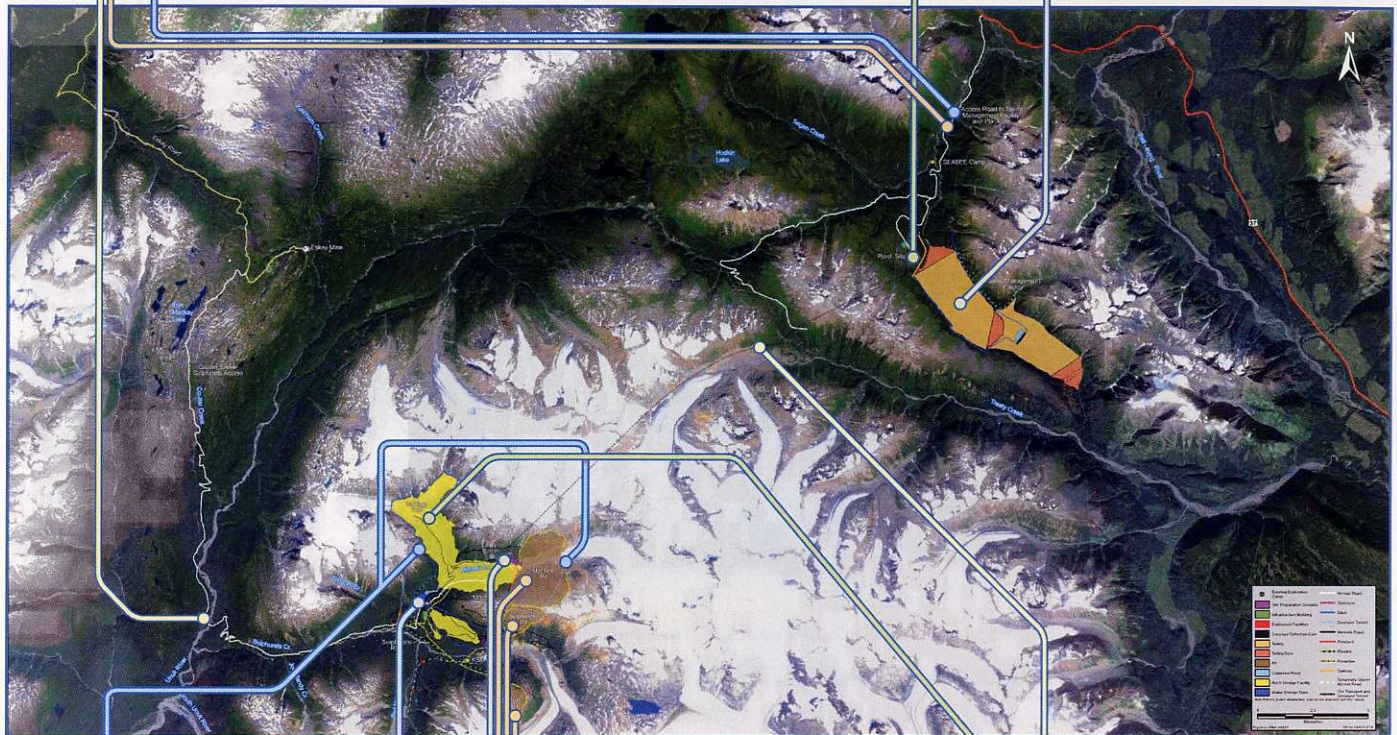
- Parallels Teigen Creek access road.
- Provides link to provincial electricity grid.

Processing Plant

- Located near the end of the ore transport tunnels.
- Copper, gold and molybdenum are separated from the ore using a flotation process.
- Cyanide, used to extract residual gold, is recovered and residual cyanide is subjected to two separate destruction methods.
- Copper and molybdenum concentrates and gold are trucked off-site for further processing.
- Ground ore with metals removed, called tailing, is pumped to the tailing management facility.
- 250 person camp located nearby to house employees.

Tailing Management Facility

- Has capacity for the expected volume of tailing.
- Dams at either end have low permeability cores.
- Initial dams constructed with locally quarried rock, expansions constructed with sand from non ore materials.
- Sulphide bearing tailing submerged in the centre of the facility to ensure permanent saturation, which prevents oxidation.
- Seepage collection dams downstream of tailing dams.



Water Treatment Facilities

- Dam on lower Mitchell Creek collects drainage from the Mitchell pit and rock storage facilities.
- Drainage from other facilities piped to the dam.
- Water piped by gravity to a treatment plant.
- Turbine installed in the pipeline generates electricity.
- 500 person camp located nearby.

Ore Preparation Complex

- Ore is crushed, ground and mixed with water near the Mitchell Pit so it can be pumped to the processing plant.

Diversion Tunnels

- Two tunnels (Mitchell and McTagg) divert streams away from the Mitchell pit and rock storage facilities.
- Keep fresh water away from surface disturbances, maintaining water quality.
- Water discharging through tunnels directed through turbines to generate electricity that supplements power from the provincial grid.
- Will remain in operation after mining ceases and will supply power to water treatment facilities.

Kerr Pit

- Preliminary feasibility study shows proven and probable reserves total 125.1 million tonnes containing 1.1 million ounces of gold, 1.3 billion pounds of copper, and 5.1 million ounces of silver.
- Mining to start at approximately year 6.
- Rock moved by conveyor (uses less energy than trucks) to the Ore Preparation Complex.

Sulphurets Pit

- Preliminary feasibility study shows proven and probable reserves total 142.2 million tonnes containing 2.8 million ounces of gold, 883 million pounds of copper, 2 million ounces of silver and 31.9 million pounds of molybdenum.
- Mining to start about halfway through the life of the project.
- Will eventually merge with Mitchell pit.

Mitchell Pit

- Preliminary feasibility study shows proven and probable reserves total 1.34 billion tonnes containing 26.3 million ounces of gold, 4.8 billion pounds of copper, 126 million ounces of silver and 178 million pounds of molybdenum.
- Mined throughout the life of the project.
- Typical truck and shovel mining operation.
- Extends 600 m below the current valley floor.
- Flooded to valley bottom level at closure.

Ore Transport Tunnels

- Parallel pair of tunnels.
- Required to access the plant and tailing management facility from mine sites.
- Each tunnel consists of two sections, 16 km and 7 km, with a short section of road in between.
- Parallel tunnels with cross connections provide an escape route in case of emergency, and enable ventilation during construction.
- Tunnels include two slurry pipelines, return water pipeline, diesel pipeline and transmission line.
- Return water pipeline fitted with a turbine to generate electricity.

Rock Storage Facilities (RSF)

- Stores non-ore rock removed to access ore.
- Ditches and tunnels divert surface run-off away from RSF.
- Drainage from RSF collected and treated.
- Covered with overburden and vegetated at closure.

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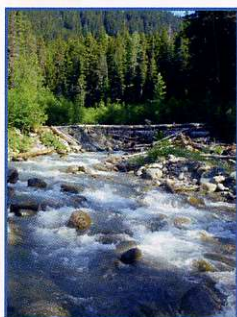


Regulatory Review

Typically, to establish a large operating mine in British Columbia, the project must be reviewed and approved under the *BC Environmental Assessment Act* (BCEAA) and the *Canadian Environmental Assessment Act* (CEAA). These acts and associated regulations define thresholds or triggers that determine the requirements for review. In the case of the KSM Project, the BC process is triggered by the rate of ore production. The federal process is triggered by the requirement for federal agencies to issue permits or approvals for fish habitat effects, road crossings over navigable streams, etc. The BC Environmental Assessment Office (EAO) coordinates the provincial and federal government harmonized review process.

Permitting

Permits, granted by provincial and federal regulatory bodies, are needed throughout the life of the project. The permits grant the project authority to carry out specified activities. There will be additional opportunities for public input during the permitting process. Provincial and federal permits and approvals for project development cannot be issued until the respective environmental assessment processes have been successfully completed.



BC Governments Permits and Licenses

- Environmental Assessment Certificate
- Permit Approving Work System & Reclamation Program
- Water Licence
- Licence to Cut
- Special Use Permit – Plant Access Road, Extension of Eskay Road
- Road Use Permit
- Licence of Occupation
- Pipeline Permit – Diesel Pipeline
- Surface Lease – Mine Site Facilities
- Waste Management Permit
- Camp Operation Permits (Drinking Water, Sewage, Disposal, Sanitation and Food Handling)

Enabling Legislation

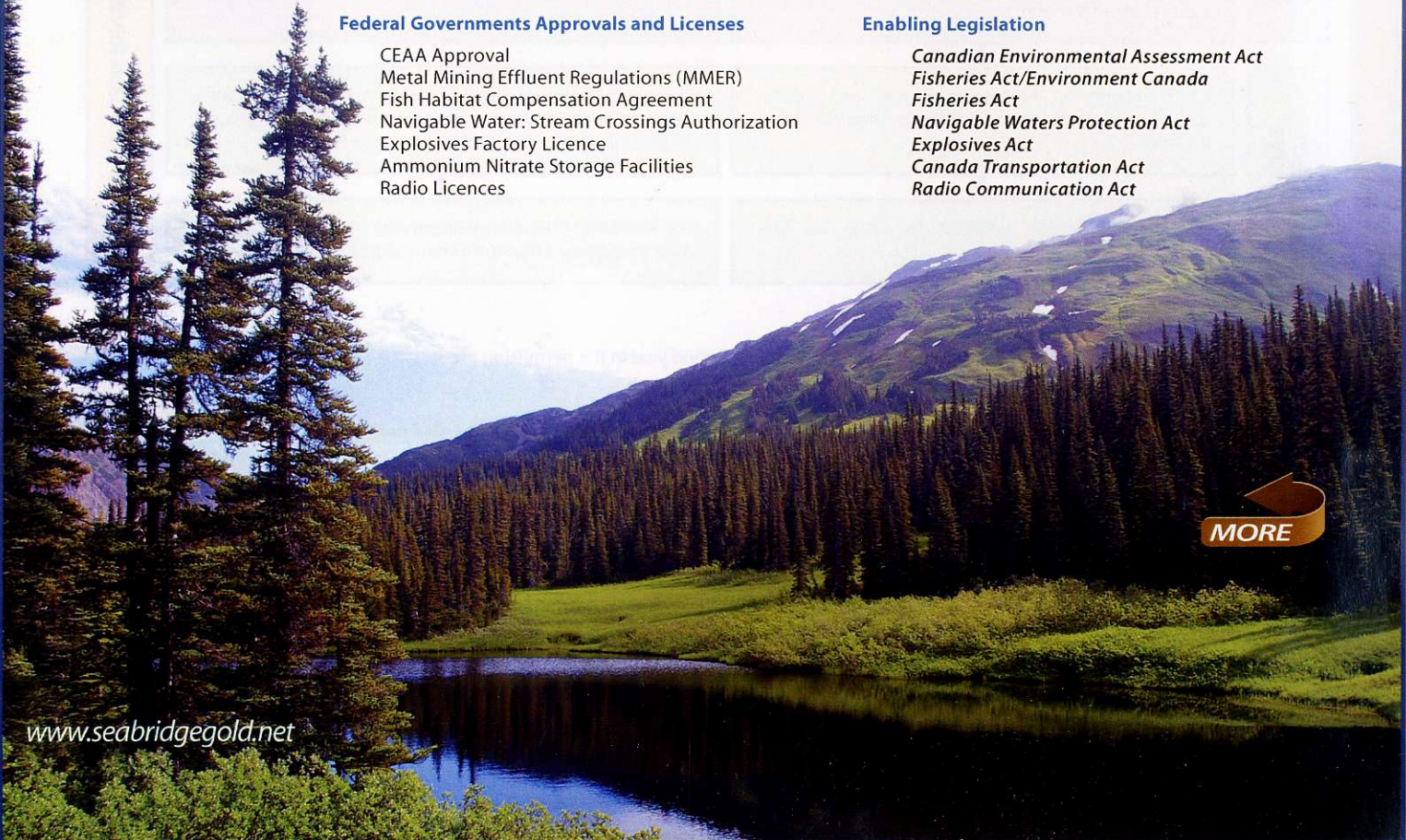
- BC Environmental Assessment Act*
- Mines Act*
- Water Act*
- Forest Act*
- Forest Act*
- Forest Act*
- Land Act*
- Pipeline Act*
- Land Act*
- Environmental Management Act*
- Health Act/Environmental Management Act*

Federal Governments Approvals and Licenses

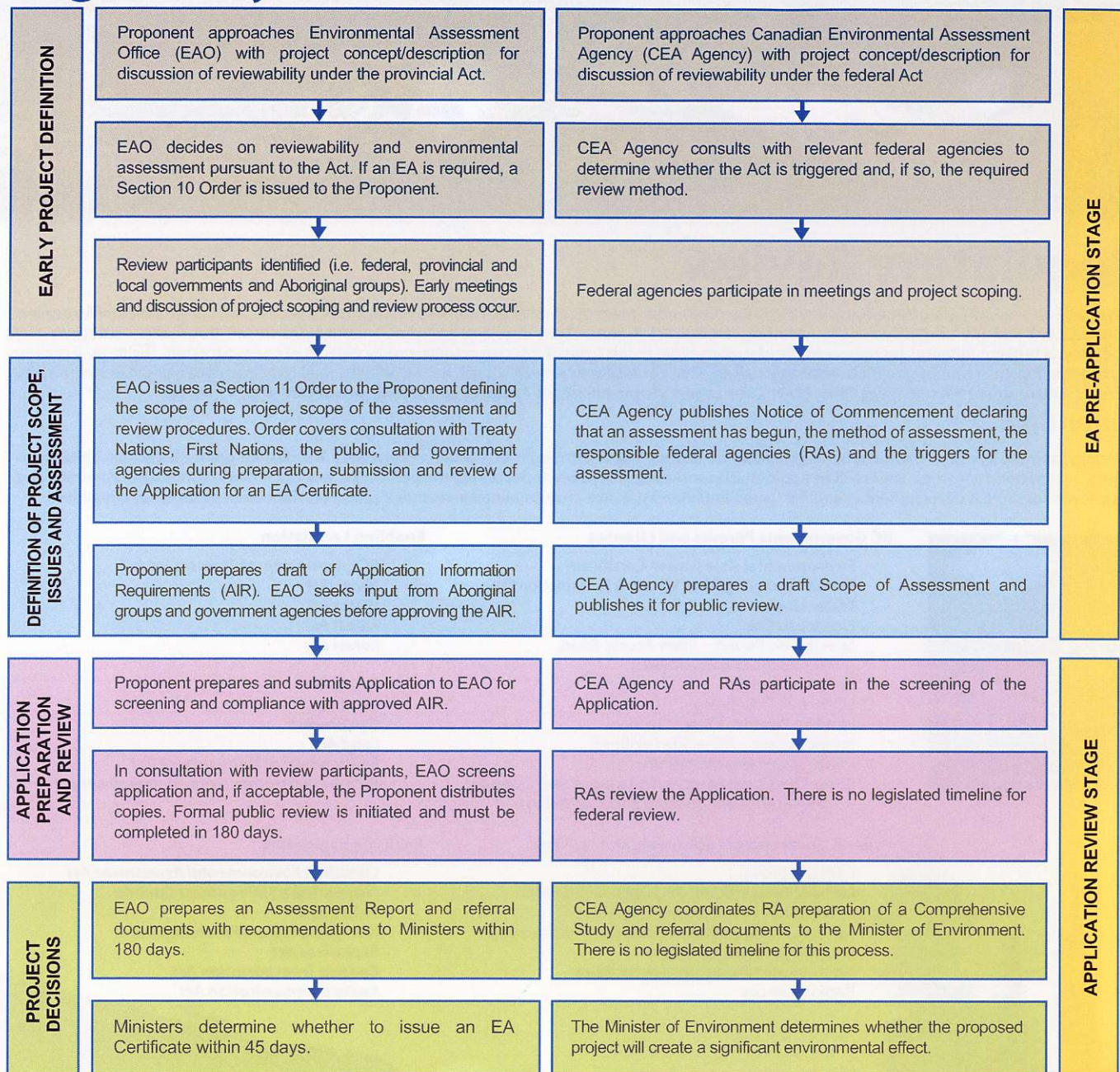
- CEAA Approval
- Metal Mining Effluent Regulations (MMER)
- Fish Habitat Compensation Agreement
- Navigable Water: Stream Crossings Authorization
- Explosives Factory Licence
- Ammonium Nitrate Storage Facilities
- Radio Licences

Enabling Legislation

- Canadian Environmental Assessment Act*
- Fisheries Act/Environment Canada*
- Fisheries Act*
- Navigable Waters Protection Act*
- Explosives Act*
- Canada Transportation Act*
- Radio Communication Act*



Regulatory Review



Project EA Milestones

The EA process is anticipated to take three years in total. 2010 is the second year in the permitting process.

March 2008: KSM Project Description Submitted to EAO.

April 2008: EAO issues Section 10 Order requiring an environmental assessment certificate for the KSM project.

March 2008 to December 2009: Environmental and social baseline studies, community engagement activities, consultation with regulatory agencies and Aboriginal groups to confirm scope and depth of studies.

July 2009: CEA Agency determines KSM Project must undergo a comprehensive study EA review under the CEAA.

November 2009: EAO issues Section 11 Order defining the EA process.

December 2009 to March 2010: Environmental and social baseline studies considered in development of the prefeasibility study.

January 2010: Draft Application Information Requirements (formerly Terms of Reference) submitted to EAO Working Group for Review.

June 2010: Draft CEA Comprehensive Study Scope of Assessment document released for public review.

Winter 2010: EA Certificate Application submission.

Once regulatory approvals are granted, it is expected to take an additional 4 years of construction and start up before the mine would be operational.

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Natural Environment Studies

The proposed KSM Project will be developed under strict environmental guidelines and will undergo a comprehensive regulatory review. The project must obtain an Environmental Assessment Certificate and acquire various permits prior to development. The protection of water quality, fisheries and wildlife are top priorities.

Environmental baseline studies determine the current state of environmental components that could be affected by the project, prior to developing the site. This information is used to avoid, or minimize, potential adverse effects, while maximizing positive effects of the project. Baseline studies were initiated in 2008. Certain studies are ongoing and will continue throughout 2010.

Fisheries

Comprehensive fish and fish habitat assessments have been conducted at stream crossings along all proposed primary road alignments and at the proposed mine and tailing management facility.

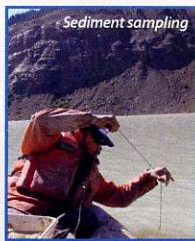


- Fish are not present in Sulphurets and Mitchell Creeks, in part because of the naturally low pH levels and high metal contents of these streams.
- Fish tissue has been tested for baseline metals concentrations.
- Fish inventory surveys have been conducted using electrofishing, gillnets, minnow traps and beach seines.
- Habitat compensation studies are exploring the creation of optimal fish habitats to compensate for disturbed areas.

Aquatics and Water Quality

Aquatic biology, sediment and water quality baseline studies have been completed for a broad area within and surrounding the proposed project site.

- Stream, river and lake water and sediment have been tested for metals, nutrients, ions, and other characteristics.
- Aquatics surveys of algae, benthic invertebrates (e.g. clams, worms, insects), and plankton have been conducted.
- Toxicity testing of select stream waters has been conducted to help classify water prior to project development.



The KSM Project will be developed in a manner consistent with the management direction provided by the Cassiar Iskut-Stikine Land and Resource Management Plan and the draft Nass South Sustainable Resource Management Plan.

Wildlife

Comprehensive wildlife studies have confirmed the presence of 121 wildlife species, including 94 species of birds, within the proposed project area.

- Common species in the vicinity include moose, grizzly and black bear, mountain goat, and a variety of breeding birds, raptors, and waterfowl.
- Grizzly bear DNA analysis has been conducted using hair samples to determine population size and distribution in the proposed project area.
- Habitat suitability mapping studies have been conducted for key mammals to identify prime habitat.



Vegetation

The vegetation study program describes the terrestrial ecosystems and vegetation by:

- Surveying and mapping ecosystems throughout the study area using aerial photography and satellite imagery.
- Surveying rare plant species and communities, and invasive species.
- Testing baseline metal concentrations in plant tissue (focusing on species that may be consumed by humans, or by animals that may be consumed by people).



Natural Environment Studies

Geochemistry

Oxidation of KSM's naturally occurring mineral deposits now causes some springs to have low, or acid, pH levels (less than 3 compared to a neutral value of 7). Mitchell Creek is influenced by these springs and during the spring and early summer it is highly acidic (pH levels 2.5 to 4). Additionally, streams in the area have naturally high levels of elements such as arsenic, cadmium, copper, iron and zinc.

- Extensive rock and water sample testing has been conducted (over 1700 rock samples).
- A geochemical deposit model and a water quality model are being developed to assist with mine design and management planning.



Surface Water and Groundwater

The study of the movement, distribution and quality of groundwater and surface water is being conducted to design the mine in a way that protects water quality and function.

- Installed groundwater monitoring wells throughout the study area and conducted groundwater sampling.
- A groundwater model is being developed to help mitigate project effects to the groundwater system.
- Monitoring of the Mitchell Glacier.
- Monthly monitoring of creeks and rivers at 16 hydrometric stations in the proposed project area, and modeling of flows.

Meteorology and Air Quality

An on-going study program is defining the local climate to support project design and to enable a thorough effects assessment of the proposed project.

- Installed automated meteorology stations near proposed open pits and the tailing management facility. Data being collected include:
 - Wind speed and direction
 - Air temperature
 - Relative humidity
 - Snow depth
 - Total precipitation
 - Global solar radiation
 - Visibility
- Surveying snow courses/transects in the project area for engineering design and water management.
- Visibility sensor allows projection of times when production may be affected by fog or falling snow.
- Installation and monitoring of dustfall collectors to measure baseline air quality.



Soils and Terrain

Field studies have resulted in detailed data on soil type (physical and chemical properties) in the project area and along the proposed access roads.

- Information is being used to develop site reclamation and soil handling plans for mine closure.
- Landform mapping has been carried out using aerial photo interpretation.



Wetlands

Wetlands studies and activities to determine wetland function and distribution have been conducted in areas that could potentially be affected by project infrastructure.

- Following extensive surveying of the proposed project area, wetland ecosystems have been mapped and classified.
- No "red listed" (endangered, threatened, or extirpated) wetlands have been identified in the study area.



Soil horizons are indicated in this photo of a test pit

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