



**SPECIAL USE PERMIT NO.
S25751 Treaty Creek**

THIS PERMIT, dated for reference **September 27, 2014** is issued to:

**SEABRIDGE GOLD INC.
PO BOX 2536
SMITHERS, BRITISH COLUMBIA
V0J 2N0
Phone: 250 847-4704 Fax: 250 847-4704
(the "Permittee")**

WHEREAS:

- A. The Permittee wishes to use a portion of Crown land in a Provincial Forest for the purposes of construction and maintenance of a road, including construction and maintenance of bridges and other drainage structures, and has not been authorized under any other enactment to use the land.
- B. The Permittee made application on **May 28, 2013**, in accordance with section 8 of the Provincial Forest Use Regulation of the *Forest Practices Code of British Columbia Act*, and has submitted a plan that sets out how the land will be used.
- C. The Permittee is issued this permit in accordance with section 3 of the *Mining Right of Way Act* and the *Forest Practices Code of British Columbia Act*.

1.00 GRANT OF RIGHTS AND TERM

- 1.01 Subject to this Permit and the Acts, regulations, and standards referred to in paragraph 6.01, the Permittee may use the Crown land designated on the attached Exhibit "A" map to this Permit (the "Permit Area") for the purpose of:
 - (a) construction and maintenance of a road, including construction and maintenance of bridges and other drainage structures.
 - (b) development of sand pits, gravel pits, rock quarries and other quarries that provide materials for road construction, modification or maintenance authorised under the *Forest Act*.
- 1.02 The term of this Permit begins on **September 27, 2014**, and will terminate on the date when the District Manager notifies the Permittee in writing that:
 - (a) the road has been deactivated to the satisfaction of the District Manager;
or

- (b) future use of the road by others will preclude the need for permanent deactivation.
- (c) the term of the use for the SUP is not defined by date but by its use and or deactivation. Consequently the mine may need to continue past the 56 years as currently projected and the SUP will need to be in place.

1.03 There is reserved to the Province:

- (a) the right to grant rights-of-way across, through or over the permit area to other parties, on such terms and conditions as the District Manager determines;
- (b) the right of employees and agents of the Province to use and to cross the road and the permit area; and
- (c) the right to grant timber harvesting rights to others with respect to the timber located outside the clearing area, but within the permit area.

2.00 CONDITIONS AND REQUIREMENTS

- 2.01 The Permittee may only carry out activities on the Permit Area in accordance with the "1.00 Plan of Use" attached as Schedule "A" and obligations defined in the Environmental Assessment Certificate (No. M14-01), dated the (29th) of (July) (2014) and any commitments made by Seabridge Gold Inc.
- 2.02 The Permittee shall retain an Engineer of Record who will be responsible for design and construction of bridges.
- 2.03 Upon completion of the bridge construction, the Permittee shall submit as-built records required by Forest Planning and Practices Regulations and certification of construction that is consistent with Crossing Assurance Statement- (Guidelines for Professional Services in the Forest Sector) prepared by the Engineer of record.
- 2.04 The Permittee where practicable will restrict the timing of construction to drier periods of the year which will avoid spring freshet.
- 2.05 This Permit authorizes the use and maintenance of the Treaty Creek Access Road (SUP S25751).
The following annual commitments are required:
 - 1). A maintenance plan is to be submitted annually on or before May 31.
 - 2). A summary of works planned and carried out must be provided annually and may be submitted with the new maintenance plan.
- 2.06 The district manager, at any time during the term of this permit, may unilaterally revise the terms and conditions contained in this permit if he/she deems it necessary for the proper management and conservation of the forest resources in the permit area.

- 2.07 A revised Road Closure Plan will be required once the road has been constructed and as well prior to the closure of the road.
- 2.08 Erosion Event Reporting – In the case of erosion events of >50 m³ (landslide or fluvial erosion) or >5 m³ of soil material deposited directly into a stream (landslide), the proponent must provide details of the event, including coordinates and photographs, to the province within 48 hours. This erosion event information will be communicated to the province using the following email address:
Forests.SkeenaStikineDistrictOffice@gov.bc.ca
- 2.09 The Permittee shall adhere to the commitments that are outlined in the current version of the “KSM Standard Operating Procedures for Clearing and Construction of Batch 1 Activities”.

3.00 OTHER RIGHTS

- 3.01 The Permittee’s rights under this Permit are subject to any other rights of use and occupation over the permit area and the clearing area which the Government has granted to third parties and the Permittee covenants not to obstruct or impede a third party in their authorized use or occupation of these areas.
- 3.02 Except where a mineral reserve established under section 22 (2) of the *Mineral Tenure Act* allows otherwise, the Permittee covenants and agrees not to obstruct, or impede the use, or diminish the rights held under tenures which have been, or which may be, issued to third parties under the *Mineral Tenure Act*.

4.00 ANNUAL RENT

- 4.01 In addition to money payable by the Permittee under the *Forest Act* and the *Forest Practices Code of British Columbia Act* and regulations made under them, the Permittee will pay to the Crown, immediately upon receipt of a statement issued on behalf of the Crown, annual rent in the amount of:
- (a) \$ (0.00) for the first year; and
 - (b) for ensuing years, an amount determined by the District Manager.

5.00 DEPOSIT

- 5.01 In addition to any money payable by the Permittee under the Acts or regulations referred to in paragraph 6.00, or the money referred to in paragraph 4.01, the Permittee must maintain a deposit in the amount of **\$4,300,000.00 (CDN)** in the form of a security acceptable to the District Manager, before using the land as specified in paragraph 1.01. The submission of this security is to be made prior to the commencement of the construction.

The permittee has the option to request a phased implementation of the security deposit and will be required to submit a plan which clearly describes the approach the permittee wishes to take. The phased implementation plan must be approved by the District Manager prior to the initiation of the road construction.

Any deviation from the approved phased implementation plan will require the proponent to notify the district manager as this may require a reconfiguration of the phased deposit.

- 5.02 Commencing on the anniversary date of the permit and each anniversary thereafter, the Permittee must adjust the deposit by an amount to maintain the **\$4,300,000.00 (CDN)** deposit which is calculated by multiplying the sum of **\$4,300,000.00 (CDN)** by the Consumer Price Index for the new calendar year and dividing by the Consumer Price Index for the previous calendar year.
- 5.03 The District Manager may use any or all of the deposit referred to in paragraph 5.01
- (a) to satisfy a claim made by the owner of personal property, other than the Permittee or the Province, who has property situated on the Permit Area, or
 - (b) to cover the costs resulting from a failure of the Permittee to meet the conditions of this Permit.
- 5.04 The District Manager, after at least four weeks notice to the Permittee, may take from the deposit:
- (a) an amount sufficient to cover costs incurred by the District Manager in remedying the Permittee's failure to meet the conditions of this Permit; or
 - (b) an amount equal to the District Manager's estimate of the costs which the District Manager could reasonably expect to incur in remedying the Permittee's failure to meet the conditions of this Permit, and for that purpose a security included in the deposit may be realized.
- 5.05 A notice referred to in paragraph 5.04 must specify:
- (a) the condition of this Permit which the Permittee failed to meet; and
 - (b) the amount the District Manager takes from the deposit.
- 5.06 If the District Manager gives the Permittee a notice that an amount has been taken under this part from the deposit, the Permittee within four weeks of the date from which the notice is given, must add to the deposit, in a form acceptable to the District Manager, an amount sufficient to replenish the deposit to the amount specified in paragraph 5.01.
- 5.07 Subject to paragraphs 5.04, 5.05 and 5.06, if:
- (a) the District Manager takes from the deposit an amount equal to the District Manager's estimate of the costs which the District Manager could reasonably expect to incur in remedying the Permittee's failure to meet the conditions of this Permit; and

- (b) the costs incurred by the District Manager in remedying the Permittee's failure to meet the conditions of this Permit are less than the amount taken from the deposit;

the District Manager will as soon as feasible return to the Permittee an amount equal to the difference between the amount taken from the deposit and the costs incurred by the District Manager.

5.08 If

- (a) the District Manager takes from the deposit an amount equal to the District Manager's estimate of the costs which the District Manager could reasonably expect to incur in remedying the Permittee's failure to meet a condition of this Permit, and
- (b) the costs incurred by the District Manager in remedying the Permittee's failure to meet a condition of this Permit are greater than the amount taken from the deposit,

the District Manager may take from the deposit an additional amount equal to the difference between the costs incurred by the District Manager and the amount originally taken from the deposit, and for that purpose a security included in the deposit may be realized.

5.09 Subject to the *Forest Practices Code of British Columbia Act* and the regulations made under that Act, the Crown will return to the Permittee the deposit, less deductions made under paragraphs 5.04 and 5.07, when:

- (a) this Permit expires, or is surrendered; and
- (b) the District Manager is satisfied that the Permittee has fulfilled all obligations under or in respect of this Permit.

5.10 Amounts taken under part 5.00 from the deposit are in addition to and not in substitution for any other remedies available to the Crown in respect of a default of the Permittee.

5.11 The Permittee agrees that \$(4,300,000.00)(CDN) of the deposit paid will be used for the purpose of:

- (a) satisfying a claim made by the owner of personal property, other than the Permittee or the Province, who has property situated on the permit area; and
- (b) covering the costs resulting from a failure of the Permittee to meet the conditions of this Permit.

5.12 If the Permittee fails to meet a condition of this Permit or damages the personal property referred to in paragraph 5.11, the District Manager may take from the deposit referred to in paragraph 5.11 an amount estimated by the District Manager to be required in order to fulfil the conditions of the Permit or restore the damage to the property.

6.00 LEGISLATIVE FRAMEWORK

6.01 This Permit is subject to:

- (a) the *Forest Act*;
- (b) the *Forest Practices Code of British Columbia Act*;
- (c) the *Forest and Range Practices Act*;
- (d) the *Mining Right of Way Act*;
- (e) the *Wildfire Act*; and
- (f) the regulations and standards made under those Acts.

6.02 The Permittee must:

- (a) comply with the Acts, regulations and standards referred to in section 6.01 and any other applicable legislation
- (b) ensure that its employees, agents and contractors comply with these Acts, regulations and standards when engaging in or carrying out activities or operations under or associated with this Permit.

6.03 Nothing in this Permit is to be construed as authorizing the Permittee to engage in any activities or carry out any operations otherwise than in accordance with the requirements of the Acts, regulations and standards referred to in section 6.01.

7.00 NOTICE

7.01 A notice given under this Permit must be in writing.

7.02 A notice given under this Permit may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) subject to paragraph 7.05, sent by facsimile transmission;

to the address or facsimile number, as applicable, specified on the first page of this Permit, or to such other address or facsimile number as is specified in a notice given in accordance with this part.

7.03 If a notice is given under this Permit, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 7.02 (a), on the date it is delivered by hand;
- (b) if it is given in accordance with subparagraph 7.02 (b), subject to paragraph 7.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada; and
- (c) if it is given in accordance with subparagraph 7.02 (c), subject to paragraph 7.05, on the date it is sent by facsimile transmission.

- 7.04 If, between the time a notice is mailed in accordance with subparagraph 7.02 (b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.
- 7.05 If a notice is sent by facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.

8.00 MISCELLANEOUS

- 8.01 Upon termination or cancellation of this Permit:
- (a) title to all improvements that are fixed to the Crown land under this Permit, shall vest in the Crown without compensation to the Permittee; and
 - (b) the Permittee must not remove any improvements unless authorized to do so by the District Manager.
- 8.02 This Permit will enure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 8.03 Any power conferred or duty imposed on the District Manager under this Permit may be exercised or fulfilled by any person authorized to do so by the District Manager.
- 8.04 In building, modifying, maintaining and using the road under this Special Use Permit, the Permittee must:
- (a) obtain the necessary permits or authorization for the crossing of alienated lands including but not limited to powerlines, pipelines, railroads, public roads, mineral claims, Agricultural Land Reserve's;
 - (b) obtain the necessary permits or authorization from other resource agencies.
- 8.05 Subject to the prior approval of the District Manager, the Permittee must ensure that any gate shall not be, or become, a hazard to the users of the road. The gate must be placed in a conspicuous location, adequately marked with permanent reflective material to be clearly visible to the operator of a motor vehicle from a safe stopping distance. Warning signs must be located to give vehicle operator's adequate warning of the obstruction.
- 8.06 Where the Permittee desires industrial users of the road to announce their position and direction of travel by means of radio, the Permittee must post the radio frequency at the start of the road, together with kilometre markers along the road to enable all industrial users of the road to use the posted radio frequency in the appropriate manner.

9.00 LIABILITY AND INDEMNITY

- 9.01 Subject to Paragraph 9.04, the Permittee will indemnify the Crown against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Crown as a result, directly or indirectly, of any act or omission of:
- (a) the Permittee;
 - (b) an employee of the Permittee;
 - (c) an agent of the Permittee;
 - (d) a contractor of the Permittee who engages in any activity or carries out any operation, including but not restricted to the Permittee's operations, under or associated with this Permit; or
 - (e) any other person who on behalf of or with the consent of the Permittee engages in any activity or carries out any operation, including but not restricted to the Permittee's operations, under or associated with this Permit.
- 9.02 For greater certainty, the Permittee has no obligation to indemnify the Crown under Paragraph 9.01 in respect of any act or omission of:
- (a) an employee, agent or contractor of the Crown, in the course of carrying out his or her duties as employee, agent or contractor of the Crown; or
 - (b) a person, other than the Permittee, to whom the Crown has granted the right to use or occupy Crown land.
- 9.03 The Crown is not liable to the Permittee for injuries, losses, expenses, or costs incurred or suffered by the Permittee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Permit, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Permittee's operations under this Permit by road blocks or other means.
- 9.04 Paragraph 9.01 does not apply to an act or omission which is a direct response to, and complies with, an order made by a Ministry employee or another officer of the Crown.
- 9.05 Amounts taken under Part 5.00 from the deposit and payments required further to the indemnity referred to in Paragraph 9.01, are in addition to and not in substitution for any other remedies available to the Crown in respect of a default of the Permittee.

10.00 INTERPRETATION

- 10.01 In this Permit, unless the context otherwise requires:
- (a) "*Forest Act*" means: the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to this Act, if it is repealed;
 - (b) "*Forest and Range Practices Act*" means: the *Forest and Range Practices Act*, S.B.C. 2002, c. 69 as amended from time to time, or the successor to this Act, if it is repealed;

- (c) “*Forest Practices Code of British Columbia Act*” means: the *Forest Practices Code of British Columbia Act*, R.S.B.C. 1996, c. 159, as amended from time to time, or the successor to this Act, if it is repealed;
- (d) *Wildfire Act* means: the *Wildfire Act*, SBC 2004 c. 31, as amended from time to time, or the successor to this Act, if it is repealed;
- (e) *Mining Right of Way Act* means: the *Mining Right of Way Act*, R.S.B.C. 1996, c. 294, as amended from time to time, or the successor to this Act, if it is repealed;
- (f) “person” includes a corporation and a partnership.

10.02 Unless otherwise provided in paragraph 10.01, if a word or phrase used in this Permit is defined in the *Forest Act*, *Forest Practices Code of British Columbia Act* or the *Forest and Range Practices Act*, the definition in the Act applies to this Permit, and where the word or phrase in the Act is replaced by a new word or phrase, this Permit is deemed to have been amended accordingly.

10.03 In this Permit, unless the context otherwise requires:

- (a) the singular includes the plural and the plural includes the singular; and
- (b) the masculine, the feminine and the neuter are interchangeable.

10.04 This Permit is divided into parts, paragraphs, subparagraphs, clauses and subclauses, illustrated as follows:

1.00 part;

1.01 paragraph;

(a) subparagraph;

(i) clause;

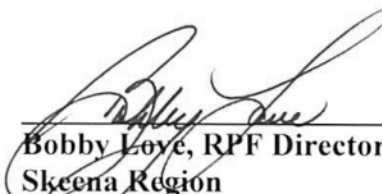
(A) subclause;

and a reference to a subparagraph, clause or subclause is to be construed as a reference to a subparagraph, clause or subclause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.

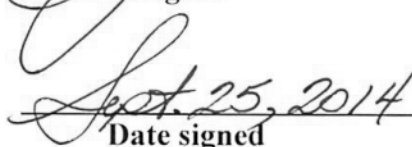


Permittee

25 September 2014
Date signed



Bobby Loye, RPF Director of Authorizations
Skeena Region



Sept. 25, 2014
Date signed

SCHEDULE "A"

Plan of Use

- 1.01 "Plan of Use", as received May 28, 2013, is referenced in Section 2.00 "Conditions and Requirements" of this Special Use Permit.

Submitted to: **Ministry of Forest Lands and Natural Resource Operations**
Skeena Stikine Forest District
Bag 6000, 3333 Tatlow Road
Smithers British Columbia,
V0J 2N0

Submitted by: **Seabridge Gold Inc.**
PO Box 2536
Smithers, British Columbia
V0J 2N0

This "Plan of Use" and the content of the individual sections, which may be amended from time to time, will act as an integral part of this Special Use Permit.

- 1.02 As agreed to in the April 30, 2014, letter received from Seabridge Gold Inc. as part of the SUP amendment application, Seabridge Gold Inc. has committed to construct the Treaty Creek Access Road in accordance with the design, assessments and outcome of the Environmental assessment review for the "KSM Project".

EXHIBIT "A" MAP



BRITISH
COLUMBIA

MINISTRY OF FORESTS, LANDS AND
NATURAL RESOURCE OPERATIONS

EXHIBIT 'A'

MAP OF: Special Use Permit S25751 Amendment #1 (shown in bold black)

(shown in bold black)

AREA: North REGION: Skeena	RESOURCE DISTRICT: Coast Mountains LAND DISTRICT: Cassiar	PULPWOOD AGREEMENT: N/A AREA (Ha): 393,4516	MAP PROJ.: NAD 1983 UTM Zone 9N SCALE: 1:40,000
ESF SUBMISSION ID: 1300148 BCGS MAPSHEET: 104B-05 (052,061,062) 104B-070	MGMT UNIT TYPE: TSA MGMT UNIT NO.: 43 - Nass	LENGTH (km): N/A WIDTH (m): N/A	DRAWN BY: renardt DATE: Mar. 18, 2014





**Special Use Permit S25750 &
S25751 Amendment #1**

Amendment to Special Use Permit S25750 & S25751

This Amendment to **Special Use Permit S25750 & S25751** dated **October 17, 2018**, between **Her Majesty the Queen in Right of the Province of British Columbia** and **Seabridge Gold** holder of the said Special Use Permits, is made effective on the 17th day of **October 17, 2018**.

Whereas the Parties have mutually agreed to amend the terms and conditions of the said Special Use Permits in the manner set forth in this Amendment.

Now, therefore, in consideration of the premises and other valuable considerations now exchanged between the Parties hereto, the Parties agree as follows:

- a) To re-assign Special Use Permits (SUP) S25750 and S25751, from **Seabridge Gold** to **KSM Mining ULC**.

This Amendment forms an integral part of the Special Use Permit and is attached as a part of that Special Use Permit.

By signing, the Parties acknowledge and agree to this Amendment and confirm the said Special Use Permits.

SIGNED on behalf of **Her Majesty the Queen in Right of the Province of British Columbia** as represented by the Minister of Forests, Lands and Natural Resource Operations or the Minister's Authorized Representative

for Minister or the Minister's Authorized Representative,
Jevan Hanchard, RPF, District Manager
Skeena Stikine Natural Resource District

Oct 18, 2018
Date

SIGNED on behalf of KSM INC by a duly authorized signatory

Authorized Signatory KSM INC

Christopher Rawlins, VP Finance
Printed Name and Title

October 18, 2018
Date



**SPECIAL USE PERMIT
S25750 Coulter Creek**

THIS PERMIT, dated for reference **September 27, 2014** is issued to:

**SEABRIDGE GOLD INC.
PO BOX 2536
SMITHERS, BRITISH COLUMBIA
V0J 2N0
Phone: 250 847-4704 Fax: 250 847-4704
(the "Permittee")**

WHEREAS:

- A. The Permittee wishes to use a portion of Crown land in a Provincial Forest for the purposes of construction and maintenance of a road, including construction and maintenance of bridges and other drainage structures, and has not been authorized under any other enactment to use the land.
- B. The Permittee made application on **May 28, 2013**, in accordance with section 8 of the Provincial Forest Use Regulation of the *Forest Practices Code of British Columbia Act*, and has submitted a plan that sets out how the land will be used.
- C. The Permittee is issued this permit in accordance with section 3 of the *Mining Right of Way Act* and the *Forest Practices Code of British Columbia Act*.

1.00 GRANT OF RIGHTS AND TERM

- 1.01 Subject to this Permit and the Acts, regulations, and standards referred to in paragraph 6.01, the Permittee may use the Crown land designated on the attached Exhibit "A" map to this Permit (the "Permit Area") for the purpose of:
 - (a) construction and maintenance of a road, including construction and maintenance of bridges and other drainage structures.
 - (b) development of sand pits, gravel pits, rock quarries and other quarries that provide materials for road construction, modification or maintenance authorised under the *Forest Act*.
- 1.02 The term of this Permit begins on **September 27, 2014**, and will terminate on the date when the District Manager notifies the Permittee in writing that:
 - (a) the road has been deactivated to the satisfaction of the District Manager; or

- (b) future use of the road by others will preclude the need for permanent deactivation.
- (c) the term of the use for the SUP is not defined by date but by its use and or deactivation. Consequently the mine may need to continue past the 56 years as currently projected and the SUP will need to be in place.

1.03 There is reserved to the Province:

- (a) the right to grant rights-of-way across, through or over the permit area to other parties, on such terms and conditions as the District Manager determines;
- (b) the right of employees and agents of the Province to use and to cross the road and the permit area; and
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- 2.01 The Permittee may only carry out activities on the Permit Area in accordance with the "1.00 Plan of Use" attached as Schedule "A" and obligations defined in the Environmental Assessment Certificate (No. M 14-01), dated the 29th of July 2014, and any commitments made by Seabridge Gold Inc.
- 2.02 The Permittee shall retain an Engineer of Record who will be responsible for design and construction of bridges.
- 2.03 Upon completion of the bridge construction, the Permittee shall submit as-built records required by Forest Planning and Practices Regulations and certification of construction that is consistent with **Crossing Assurance Statement-** (Guidelines for Professional Services in the Forest Sector) prepared by the Engineer of record.
- 2.04 The Permittee where practicable will restrict the timing of construction to drier periods of the year which will avoid spring freshet.
- 2.05 This Permit authorizes the use and maintenance of the Coulter Creek Access Road (SUP S25750).
The following annual commitments are required:
 - 1). A maintenance plan is to be submitted annually on or before May 31.
 - 2). A summary of works planned and carried out must be provided annually and may be submitted with the new maintenance plan.
- 2.06 The district manager, at any time during the term of this permit, may unilaterally revise the terms and conditions contained in this permit if he/she deems it necessary for the proper management and conservation of the forest resources in the permit area.

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Forests.SkeenaStikineDistrictOffice@gov.bc.ca
- 2.09 The Permittee shall adhere to the commitments that are outlined in the current version of the “KSM Standard Operating Procedures for Clearing and Construction of Batch 1 Activities”.
- 2.10 Prior to the clearing and construction of the access route the permittee shall resolve the tenure overlap with Barrick Gold as per the direction received from the Surveyors General Office August 22, 2014.

3.00 OTHER RIGHTS

- 3.01 The Permittee’s rights under this Permit are subject to any other rights of use and occupation over the permit area and the clearing area which the Government has granted to third parties and the Permittee covenants not to obstruct or impede a third party in their authorized use or occupation of these areas.
- 3.02 Except where a mineral reserve established under section 22 (2) of the *Mineral Tenure Act* allows otherwise, the Permittee covenants and agrees not to obstruct, or impede the use, or diminish the rights held under tenures which have been, or which may be, issued to third parties under the *Mineral Tenure Act*.

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 - (b) for ensuing years, an amount determined by the District Manager.

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Any deviation from the approved phased implementation plan will require the proponent to notify the district manager as this may require a reconfiguration of the phased deposit.

- 5.02 Commencing on the anniversary date of the permit and each anniversary thereafter, the Permittee must adjust the deposit by an amount to maintain the **\$4,600,000.00(CDN)** deposit which is calculated by multiplying the sum of **\$4,600,000.00(CDN)** by the Consumer Price Index for the new calendar year and dividing by the Consumer Price Index for the previous calendar year.
- 5.03 The District Manager may use any or all of the deposit referred to in paragraph 5.01
- (a) to satisfy a claim made by the owner of personal property, other than the Permittee or the Province, who has property situated on the Permit Area, or
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- (a) an amount sufficient to cover costs incurred by the District Manager in remedying the Permittee's failure to meet the conditions of this Permit; or
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- (a) the condition of this Permit which the Permittee failed to meet; and
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- 5.06 If the District Manager gives the Permittee a notice that an amount has been taken under this part from the deposit, the Permittee within four weeks of the date from which the notice is given, must add to the deposit, in a form acceptable to the District Manager, an amount sufficient to replenish the deposit to the amount specified in paragraph 5.01.
- 5.07 Subject to paragraphs 5.04, 5.05 and 5.06, if:
- (a) the District Manager takes from the deposit an amount equal to the District Manager's estimate of the costs which the District Manager could reasonably expect to incur in remedying the Permittee's failure to meet the conditions of this Permit; and

- (b) the costs incurred by the District Manager in remedying the Permittee's failure to meet the conditions of this Permit are less than the amount taken from the deposit;

the District Manager will as soon as feasible return to the Permittee an amount equal to the difference between the amount taken from the deposit and the costs incurred by the District Manager.

5.08 If

- (a) the District Manager takes from the deposit an amount equal to the District Manager's estimate of the costs which the District Manager could reasonably expect to incur in remedying the Permittee's failure to meet a condition of this Permit, and
- (b) the costs incurred by the District Manager in remedying the Permittee's failure to meet a condition of this Permit are greater than the amount taken from the deposit,

the District Manager may take from the deposit an additional amount equal to the difference between the costs incurred by the District Manager and the amount originally taken from the deposit, and for that purpose a security included in the deposit may be realized.

5.09 Subject to the *Forest Practices Code of British Columbia Act* and the regulations made under that Act, the Crown will return to the Permittee the deposit, less deductions made under paragraphs 5.04 and 5.07, when:

- (a) this Permit expires, or is surrendered; and
- (b) the District Manager is satisfied that the Permittee has fulfilled all obligations under or in respect of this Permit.

5.10 Amounts taken under part 5.00 from the deposit are in addition to and not in substitution for any other remedies available to the Crown in respect of a default of the Permittee.

5.11 The Permittee agrees that \$(4,600,000.00)(CDN) of the deposit paid will be used for the purpose of:

- (a) satisfying a claim made by the owner of personal property, other than the Permittee or the Province, who has property situated on the permit area; and
- (b) covering the costs resulting from a failure of the Permittee to meet the conditions of this Permit.

5.12 If the Permittee fails to meet a condition of this Permit or damages the personal property referred to in paragraph 5.11, the District Manager may take from the deposit referred to in paragraph 5.11 an amount estimated by the District Manager to be required in order to fulfil the conditions of the Permit or restore the damage to the property.

6.00 LEGISLATIVE FRAMEWORK

6.01 This Permit is subject to:

- (a) the *Forest Act*;
- (b) the *Forest Practices Code of British Columbia Act*;
- (c) the *Forest and Range Practices Act*;
- (d) the *Mining Right of Way Act*;
- (e) the *Wildfire Act*; and
- (f) the regulations and standards made under those Acts.

6.02 The Permittee must:

- (a) comply with the Acts, regulations and standards referred to in section 6.01 and any other applicable legislation
- (b) ensure that its employees, agents and contractors comply with these Acts, regulations and standards when engaging in or carrying out activities or operations under or associated with this Permit.

6.03 Nothing in this Permit is to be construed as authorizing the Permittee to engage in any activities or carry out any operations otherwise than in accordance with the requirements of the Acts, regulations and standards referred to in section 6.01.

7.00 NOTICE

7.01 A notice given under this Permit must be in writing.

7.02 A notice given under this Permit may be:

- (a) delivered by hand;
- (b) sent by mail; or
- (c) subject to paragraph 7.05, sent by facsimile transmission;

to the address or facsimile number, as applicable, specified on the first page of this Permit, or to such other address or facsimile number as is specified in a notice given in accordance with this part.

7.03 If a notice is given under this Permit, it is deemed to have been given:

- (a) if it is given in accordance with subparagraph 7.02 (a), on the date it is delivered by hand;
- (b) if it is given in accordance with subparagraph 7.02 (b), subject to paragraph 7.04, on the eighth day after its deposit in a Canada Post Office at any place in Canada; and
- (c) if it is given in accordance with subparagraph 7.02 (c), subject to paragraph 7.05, on the date it is sent by facsimile transmission.

- 7.04 If, between the time a notice is mailed in accordance with subparagraph 7.02 (b) and the time it is actually received, there occurs a postal strike, lockout or slowdown that might reasonably affect delivery of the notice, the notice is not deemed to be given until the party actually receives it.
- 7.05 If a notice is sent by facsimile transmission, the party sending the notice must take reasonable steps to ensure that the transmission has been successfully completed.

8.00 MISCELLANEOUS

- 8.01 Upon termination or cancellation of this Permit:
- (a) title to all improvements that are fixed to the Crown land under this Permit, shall vest in the Crown without compensation to the Permittee; and
 - (b) the Permittee must not remove any improvements unless authorized to do so by the District Manager.
- 8.02 This Permit will enure to the benefit of, and be binding on, the parties and their respective heirs, executors, successors and permitted assigns.
- 8.03 Any power conferred or duty imposed on the District Manager under this Permit may be exercised or fulfilled by any person authorized to do so by the District Manager.
- 8.04 In building, modifying, maintaining and using the road under this Special Use Permit, the Permittee must:
- (a) obtain the necessary permits or authorization for the crossing of alienated lands including but not limited to powerlines, pipelines, railroads, public roads, mineral claims, Agricultural Land Reserve's;
 - (b) obtain the necessary permits or authorization from other resource agencies.
- 8.05 Subject to the prior approval of the District Manager, the Permittee must ensure that any gate shall not be, or become, a hazard to the users of the road. The gate must be placed in a conspicuous location, adequately marked with permanent reflective material to be clearly visible to the operator of a motor vehicle from a safe stopping distance. Warning signs must be located to give vehicle operator's adequate warning of the obstruction.
- 8.06 Where the Permittee desires industrial users of the road to announce their position and direction of travel by means of radio, the Permittee must post the radio frequency at the start of the road, together with kilometre markers along the road to enable all industrial users of the road to use the posted radio frequency in the appropriate manner.

9.00 LIABILITY AND INDEMNITY

- 9.01 Subject to Paragraph 9.04, the Permittee will indemnify the Crown against and save it harmless from all claims, demands, suits, actions, causes of action, costs, expenses and losses faced, incurred or suffered by the Crown as a result, directly or indirectly, of any act or omission of:
- (a) the Permittee;
 - (b) an employee of the Permittee;
 - (c) an agent of the Permittee;
 - (d) a contractor of the Permittee who engages in any activity or carries out any operation, including but not restricted to the Permittee's operations, under or associated with this Permit; or
 - (e) any other person who on behalf of or with the consent of the Permittee engages in any activity or carries out any operation, including but not restricted to the Permittee's operations, under or associated with this Permit.
- 9.02 For greater certainty, the Permittee has no obligation to indemnify the Crown under Paragraph 9.01 in respect of any act or omission of:
- (a) an employee, agent or contractor of the Crown, in the course of carrying out his or her duties as employee, agent or contractor of the Crown; or
 - (b) a person, other than the Permittee, to whom the Crown has granted the right to use or occupy Crown land.
- 9.03 The Crown is not liable to the Permittee for injuries, losses, expenses, or costs incurred or suffered by the Permittee as a result, directly or indirectly, of an act or omission of a person who is not a party to this Permit, including but not restricted to an act or omission of a person disrupting, stopping or otherwise interfering with the Permittee's operations under this Permit by road blocks or other means.
- 9.04 Paragraph 9.01 does not apply to an act or omission which is a direct response to, and complies with, an order made by a Ministry employee or another officer of the Crown.
- 9.05 Amounts taken under Part 5.00 from the deposit and payments required further to the indemnity referred to in Paragraph 9.01, are in addition to and not in substitution for any other remedies available to the Crown in respect of a default of the Permittee.

10.00 INTERPRETATION

- 10.01 In this Permit, unless the context otherwise requires:
- (a) "*Forest Act*" means: the *Forest Act*, R.S.B.C. 1996, c. 157, as amended from time to time, or the successor to this Act, if it is repealed;
 - (b) "*Forest and Range Practices Act*" means: the *Forest and Range Practices Act*, S.B.C. 2002, c. 69 as amended from time to time, or the successor to this Act, if it is repealed;

- (c) “*Forest Practices Code of British Columbia Act*” means: the *Forest Practices Code of British Columbia Act*, R.S.B.C. 1996, c. 159, as amended from time to time, or the successor to this Act, if it is repealed;
- (d) *Wildfire Act* means: the *Wildfire Act*, SBC 2004 c. 31, as amended from time to time, or the successor to this Act, if it is repealed;
- (e) *Mining Right of Way Act* means: the *Mining Right of Way Act*, R.S.B.C. 1996, c. 294, as amended from time to time, or the successor to this Act, if it is repealed;
- (f) “person” includes a corporation and a partnership.

10.02 Unless otherwise provided in paragraph 10.01, if a word or phrase used in this Permit is defined in the *Forest Act*, *Forest Practices Code of British Columbia Act* or the *Forest and Range Practices Act*, the definition in the Act applies to this Permit, and where the word or phrase in the Act is replaced by a new word or phrase, this Permit is deemed to have been amended accordingly.

10.03 In this Permit, unless the context otherwise requires:

- (a) the singular includes the plural and the plural includes the singular; and
- (b) the masculine, the feminine and the neuter are interchangeable.

10.04 This Permit is divided into parts, paragraphs, subparagraphs, clauses and sub clauses, illustrated as follows:

1.00 part;

1.01 paragraph;

(a) subparagraph;

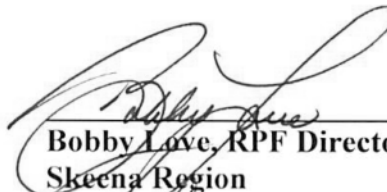
(i) clause;

(A) subclause;

and a reference to a subparagraph, clause or sub clause is to be construed as a reference to a subparagraph, clause or sub clause of the paragraph, subparagraph or clause, as the case may be, in which the reference occurs.



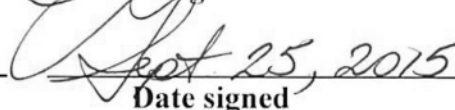
Permittee



Bobby Love, RPF Director of Authorizations
Skeena Region

25 September 2014

Date signed



Sept 25, 2015
Date signed

SCHEDULE "A"

Plan of Use

- 1.01 "Plan of Use", as received May 28, 2013 is, is referenced in Section 2.00 "Conditions and Requirements" of this Special Use Permit.

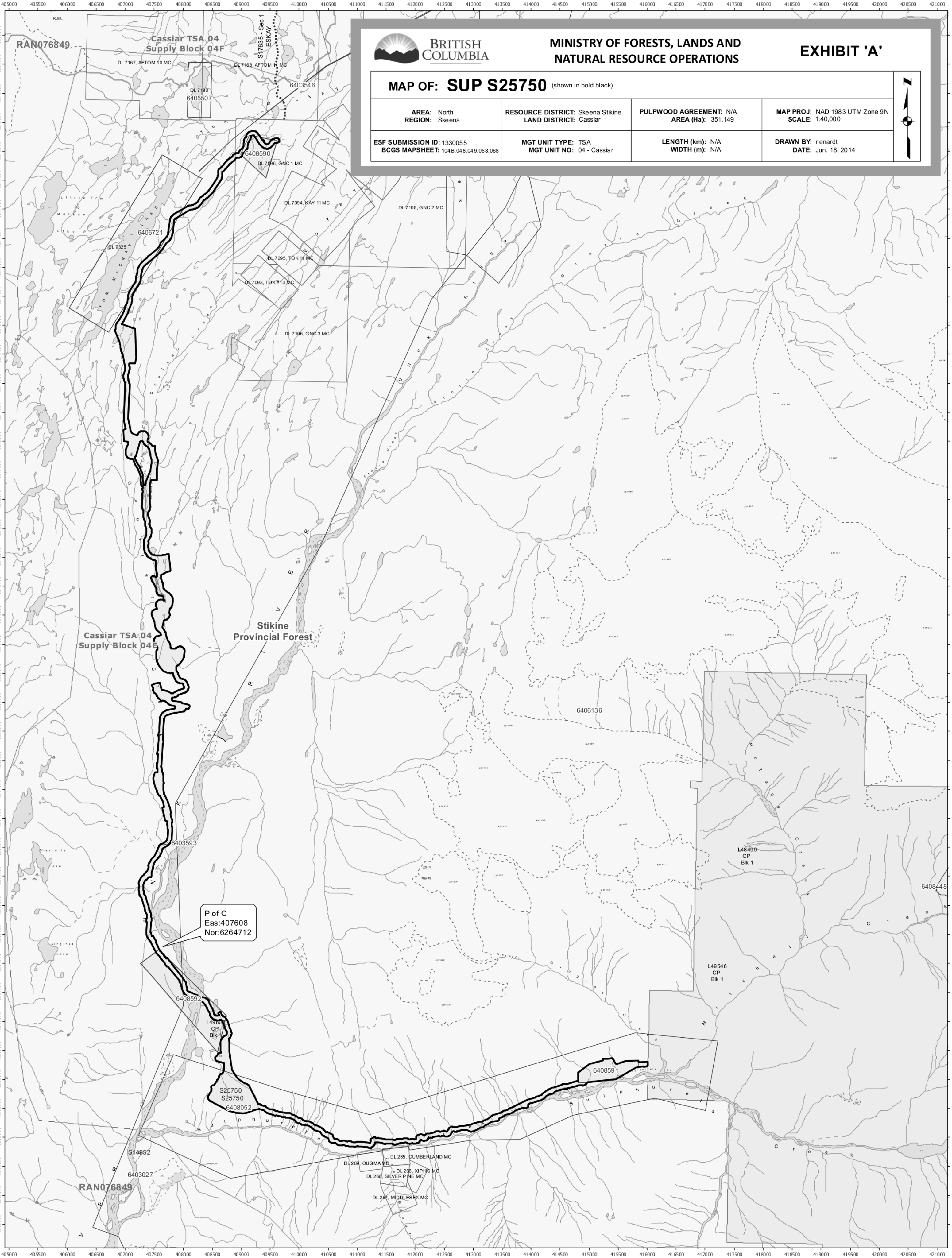
Submitted to: **Ministry of Forest Lands and Natural Resource Operations**
Skeena Stikine Forest District
Bag 6000, 3333 Tatlow Road
Smithers British Columbia,
V0J 2N0

Submitted by: **Seabridge Gold Inc.**
PO Box 2536
Smithers, British Columbia
V0J 2N0

This "Plan of Use" and the content of the individual sections, which may be amended from time to time, will act as an integral part of this Special Use Permit.

- 1.02 As agreed to in the April 30, 2014 letter received from Seabridge Gold Inc. ,as part of the SUP amendment application, Seabridge Gold Inc. has committed to construct the Coulter Creek Access Road in accordance with the design, assessments and outcome of the Environmental Assessment review for the "KSM Project".

EXHIBIT "A" MAP



MINISTRY OF FORESTS, LANDS AND
NATURAL RESOURCE OPERATIONS

EXHIBIT 'A'

MAP OF: SUP S25750 (shown in bold black)			
AREA: North REGION: Skeena	RESOURCE DISTRICT: Skeena Stikine LAND DISTRICT: Cassiar	PULPWOOD AGREEMENT: N/A AREA (Ha): 351.149	MAP PROJ: NAD 1983 UTM Zone 9N SCALE: 1:40,000
ESF SUBMISSION ID: 1330055 BCGS MAPSHEET: 104B.04.8,04.9,05.8,06.8	MGT UNIT TYPE: TSA MGT UNIT NO: 04 - Cassiar	LENGTH (km): N/A WIDTH (m): N/A	DRAWN BY: rlenardt DATE: Jun. 18, 2014





**Special Use Permit S25750 &
S25751 Amendment #1**

Amendment to Special Use Permit S25750 & S25751

This Amendment to **Special Use Permit S25750 & S25751** dated **October 17, 2018**, between **Her Majesty the Queen in Right of the Province of British Columbia** and **Seabridge Gold** holder of the said Special Use Permits, is made effective on the 17th day of **October 17, 2018**.

Whereas the Parties have mutually agreed to amend the terms and conditions of the said Special Use Permits in the manner set forth in this Amendment.

Now, therefore, in consideration of the premises and other valuable considerations now exchanged between the Parties hereto, the Parties agree as follows:

- a) To re-assign Special Use Permits (SUP) S25750 and S25751, from **Seabridge Gold** to **KSM Mining ULC**.

This Amendment forms an integral part of the Special Use Permit and is attached as a part of that Special Use Permit.

By signing, the Parties acknowledge and agree to this Amendment and confirm the said Special Use Permits.

SIGNED on behalf of **Her Majesty the Queen in Right of the Province of British Columbia** as represented by the Minister of Forests, Lands and Natural Resource Operations or the Minister's Authorized Representative

for Minister or the Minister's Authorized Representative,
Jevan Hanchard, RPF, District Manager
Skeena Stikine Natural Resource District

Oct 18, 2018
Date

SIGNED on behalf of KSM INC by a duly authorized signatory

Authorized Signatory KSM INC

Christopher Rawlous, VP Finance
Printed Name and Title

October 18, 2018
Date