

# Seabridge Report Card: 2023

For more than 20 years, Seabridge has set and published annual objectives and reported on the results at the end of each year. We call it our report card. Our degree of success is used to determine “at-risk” compensation for senior management and bonus considerations for other employees. Our Board set 14 specific objectives for 2023 which were published in our 2022 Annual Report. Here are those objectives, the weighting factors assigned by our Board and our assessment of the results.

## **Objective #1:**

**Enter into a joint venture (“JV”) agreement on the KSM project with a suitable partner on terms advantageous to Seabridge.  
(10% weighting)**

We engaged RBC Capital Markets to initiate a formal JV process. Following site visits by five major mining companies. We are now continuing discussions with several parties who have expressed an interest in our joint venture structure.

**Although significant progress has been made, this objective was NOT accomplished.**

## **Objective #2:**

**Secure a minimum of \$150 million in additional funding that minimizes equity dilution for early construction spending at KSM.  
(15% weighting)**

In June, Seabridge completed the sale of a non-equity dilutive US\$150 million (approximately C\$200 million) secured note to Sprott Resource Streaming and Royalty Corp. The Note is designed to be repaid at maturity by a 1.0% net smelter returns royalty (“NSR”) on KSM. The US\$150 million in proceeds is being used to complete physical works at KSM for which Seabridge expects to achieve a designation of ‘substantially started’ from the B.C. Government.

The new US\$150 million funding has moved KSM towards accomplishing three main objectives:

1. Achieve the ‘Substantially Started’ designation which ensures the continuity of the KSM project’s approved Environmental Assessment Certificate (“EAC”) for the life of the project;
2. Complete key tasks which support construction readiness and shorten the construction period once a construction decision has been made; and
3. Enhance the KSM proposition in our ongoing joint venture discussions by securing the EAC, further de-risking the project, and accelerating the construction timetable.

**This objective was accomplished.**

**Objective #3:  
Increase gold ownership per common share.  
(5% weighting)**

This remains an important measure of performance because it is objective confirmation that our expenditures are continuing to add shareholder value. Work was completed in 2023 towards increasing the number of resource ounces, but at year end we had not completed the necessary resource estimation work to meet this objective.

At December 31, 2022 we reported 100.2 million ounces of gold in the measured and indicated resource categories plus an additional 70.6 million ounces of gold in the inferred category. At December 31, 2022 we reported 81.3 million shares outstanding. Accordingly, at December 31, 2022 each one of our shares was backed by 2.10 ounces per share (1.23 ounces per share in the measured and indicated categories plus an additional 0.87 in the inferred category).

Our 2023 year end share count was 86.1 million shares. To offset the year over year increase of 4.8 million shares, gold resources would have to increase by at least 10.1 million ounces.

In January 2024 we announced the results of an updated Preliminary Feasibility Study ("2024 PFS") at our 100% owned Courageous Lake project located on Canada's Northwest Territories. The 2024 PFS reported a 38% increase in Courageous Lake's measured and indicated gold resources of 3.0 million ounces (from 8.0 to 11.0 million ounces) while inferred resources remained at 3.9 million ounces.

Additionally, in February 2024 we announced updated resource estimates for our Iron Cap and Kerr deposits at KSM incorporating the same metal prices as the 2022 KSM PFS used for the Mitchell, East Mitchell and Sulphurets deposits. This re-estimation resulted in inferred resources increasing by 5.9 million ounces of gold, 3.3 billion pounds of copper and 55.4 million ounces of silver. Measured and indicated resources increased by 0.3 million ounces of gold, 0.2 billion pounds of copper and 3.5 million ounces of silver.

We are currently in the process of updating the resource model at our 100% owned Bronson Slope deposit by incorporating drill results from the 2023 Iskut program. Expectations are that reported resources at Bronson will increase.

**Although we were well on our way to meet the required addition of 10.1 million ounces of gold resources from 2023 program initiatives, at year end this objective was NOT accomplished.**

**Objective #4:**

**Continue to advance work at KSM to satisfy the requirement that we have “Substantially Started” (“SS”) the project prior to our EA Certificate expiring in July 2026.**

**(15% weighting)**

During 2023 the following work was completed at KSM:

- Fully completed Glacier Creek FHOP, including woody debris, mulching, and re-vegetation.
- Finalized the earthworks, laydowns, and water treatment on the 30-hectare all-weather camp 11 pad and installed an additional 90-beds at Camp 11 for a total of 210-beds on KSM property.
- Completed powerline phase 1 culminating in receipt of execution plans and costed proposals from two contractors.
- Finalized construction of the first 17-km of the Treaty Creek Access Road to the NTAR intersection and constructed the first 780 meters towards the Saddle.
- Completed earthworks construction on TCT and commenced concrete work.
- Cleared and removed trees for the first 17-km of the transmission line. Full site access and structure pads were completed for the first 13 transmission line structures and tracked equipment access was constructed for another 56 structures.
- Removed previously fallen timber along the TCAR right-of-way.
- Upgraded the site entrance with an improved entrance to highway 37, truck turnaround, security area, and public access to Bell Irving River.

**This objective was accomplished, and our SS application was submitted in January 2024, two months ahead of previous plans.**

**Objective #5:**

**Continue to collect data at KSM required for a final feasibility study.**

**(5% weighting)**

We completed critical path data collection at the water storage dam (WSD) including geotechnical drilling, pump tests, seismic geophysics and a photogrammetry drone survey of the WSD canyon. The WSD geology model is currently being updated with the new site investigation data. Additional waste rock sample collection and testing to support ongoing waste rock engineering was also completed. Together with mine area structural geology work and water tunnel alignment optimization, the successful site data collection program at KSM in 2023 has advanced KSM towards a feasibility study.

**This objective was accomplished.**

**Objective #6:**

**Substantially complete the next phase of the Johnny Mountain Mine (JMM) reclamation and closure in cooperation with the Tahltan Nation and British Columbia regulators.**

**(5% weighting)**

A summary of our 2023 reclamation work at Johnny Mountain Mine:

- Contracting Tahltan affiliated businesses for substantially all work at Johnny Mountain.
- Advancing the in-situ hydrocarbon remediation program.
- Completing environmental field sampling and reporting requirements to achieve regulatory compliance.
- Successfully dewatering the Tailing Storage Facility (TSF) and relocating 84% of the originally estimated volume of JMM PAG rock into the TMF for underwater disposal with no negative impacts to water quality.
- Starting final closure of the TSF, including widening of the closure spillway, construction of the stilling basin, and NPAG reinforcement to the upstream side of the TSF.
- Continuing long-term monitoring programs to ensure the stability of the TSF and protection of the environment, including an annual Independent Technical Review Board meeting, annual Engineer of Record inspections and monthly seasonal internal dam safety investigations.
- Relocating mill demo waste from 2022 into the landfill site.

Seabridge was invited by Natural Resources Canada to present its Johnny Mountain Mine reclamation program to the Government of Mexico. The Government of Canada chose Seabridge to showcase the reclamation practices now being implemented in Canada. This invitation illustrates the exemplary quality of our work at JMM and the level of respect and attention that Seabridge has received for voluntarily undertaking reclamation at JMM.

**This objective was accomplished.**

**Objective #7:**

**Complete an internal study for Courageous Lake focusing on a smaller, less capital intensive and more robust design to determine what the next PFS iteration should be for the Project.**

**(4% weighting)**

Internal studies were successfully completed on a smaller, less capital intensive and more robust design for Courageous Lake in 2023. An updated independent Courageous Lake PFS led by Ausenco was subsequently completed in February 2024 and an NI 43-101 technical report was prepared and filed to support the study. Capital costs are significantly lower than the 2012 PFS and a number of significant risks have been eliminated. The PFS pit is smaller than its 2012 predecessor and avoids mining through the permafrost contact until the end of the mine life. The PFS is accompanied by a PEA that expands the open pit to below the permafrost boundary.

**This objective was accomplished.**

**Objective #8:****Continue to strengthen our social license by responding effectively to the needs and concerns of Treaty and First Nations and local communities.****(10% weighting)**

At KSM, our team continued to strengthen social license by hosting community events and presentations, sharing information through social media platforms, site tours, training and education and engagement with communities and indigenous groups. We continued to operate the Smithers and Terrace offices to provide project related information to residents and visitors of Smithers and Terrace. We were successful in having KSM listed as a project under the Major Projects Office which includes bi-weekly meetings to assist us in the timely review of permit and regulatory reviews.

Evidence of our success included indigenous and local community support of our permitting, positive commentary on social media and status as a sought-after employer. The substantially started work has been well received and our relationships with Tahltan Central Government (“TCG”) and Nisga’a Lisims Government (“NLG”) continue to be strong. This is highlighted by formation of the Treaty Creek Limited Partnership to share in the economic and social benefits of KSM. We have been successful in gathering letters of support for KSM’s substantial start application from TCG, NLG, B.C. Hydro, District of Stewart, City of Terrace, District of New Hazelton, Town of Smithers, Office of the Gitksan Hereditary Chiefs and the District of Kitimat-Stikine

At 3 Aces, we operated the Watson Lake office to provide project updates and support to local community residents. We hosted visitors, met with the Ross River Chief and Council and Liard First Nation (“LFN”) Chief to discuss our exploration plans for 3 Aces including permit reviews and environmental programs, continued building relationships with the LFN Lands department and hired on-site environmental monitors through LFN’s Development Corporation, continued to advance MOU discussions with LFN and RRDC representatives and participated in the Yukon Chamber of Mines.

At Courageous Lake, we participated in the Board of Directors for the NWT Chamber of Mines and submitted a legal interpretation regarding “Ice Bridge Water Use” to the MacKenzie Valley Land and Water Board (“MVLWB”) at the request of the Chamber. Our 2022 Archaeological Impact report on Mathews Lake Camp was approved and shared with local Indigenous communities. We also completed the 2019-2022 Caribou Camera Monitoring Report which we submitted to the MVLWB, Government of Northwest Territories, Wildlife officials and local Indigenous communities.

At Iskut, we achieved substantial progress in the reclamation of the Johnny Mountain Mine as summarized above. This initiative has contributed significantly to advancing our social license with indigenous groups in British Columbia and the Yukon as well as federal and provincial regulators.

**This objective was accomplished.**

**Objective #9:**

**Continue to implement our ESG commitments as set out in our Sustainability Report and update our sustainability strategy by capturing 2-3 year climate change, diversity and governance targets.**

**(7% weighting)**

The organization has achieved ~95% of the goals laid out in the sustainability strategy and publicly disclosed in our annual sustainability report. The sustainability strategy and timeline has been updated and has a 3-to-5-year outlook. It includes climate change, diversity, governance, and biodiversity targets. We continue to be proactive and ahead of the regulatory curve on reporting and communicating ensuring we comply given the many disclosures that are required. The broader team has continued to meet monthly to ensure we are on track and prepared for ongoing sustainability activities and reporting. We are advancing processes to capture data needed to build a sustainability culture.

**This objective was accomplished.**

**Objective #10:**

**Continue to build our risk management system by capturing climate risks.**

**(3% weighting)**

The risk management process has continued to evolve including the enterprise risk review. We have received outside support and assurance of the process. In regard specifically to climate change, we conducted an executive and board level review of climate risks and captured them in the 2022 Sustainability Report and the 2022 Climate Strategy Report (TCFD). The Sustainability Team and Board Committee continue to discuss these risks on an ongoing basis and as a standing agenda item. The process is now built into the annual cycle to formally review in January with the executive team and in March with the Board. We have also developed internal controls to manage all climate data which will be reviewed internally this year in the audit process.

**This objective was accomplished.**

**Objective #11:**

**Promote a positive culture of Health and Safety through continuous improvement in key leading indicators and initiatives.**

**(3% weighting)**

When this objective was set, it was agreed that it would be measured by achieving: a Total Reportable Incident Frequency (“TRIF”) less than or equal to a rolling 12-month target of 3.5; year over year increased reporting of Field Level Hazard Assessments; Environmental Inspections; completion of the 2023 Health, Safety, Security and Environment (“HSSE”) and an Initiative Tracking Register. All these goals were accomplished, and our 2023 TRIF was 1.79, well below our 3.5 target.

**This objective was accomplished.**

**Objective #12:**

**Complete a drill program of at least 12,000 meters at Iskut to expand the Bronson Slope copper/gold resource and test for additional porphyry occurrences on the property.**

**(8% weighting)**

Total drilling completed at Iskut in 2023 was 19,830 meters in 23 diamond core holes. Exploration was dedicated to the Bronson Slope Resource Expansion (15 drill holes, 11,982 meters), Bronson Porphyry Target (2 drill holes, 2,664 meters) and Snip North Porphyry Target (6 holes, 5,184 meters).

Bronson Slope drilling encountered coherent gold zones more than 500 meters from historical resources which vary in thickness from 500m down to about 30m hosted in favourable clastic sedimentary rocks and likely to increase the resource. Grades are expected to be roughly similar to historical resource grades. Work is now proceeding on an updated resource estimate incorporating the 2023 drill results.

The test for a porphyry occurrence under the Bronson Slope deposit was a follow-up on the 2022 discovery of the Breccia Pipe (QMBX). Our drilling was designed to pierce the QMBX near its base where we think a fluid system emanating from a porphyry separated into an explosive vapor-phase, creating the QMBX, and a brine-phase that could be Cu-rich. Drill hole SBS-23-23 encountered a mixture of intrusive rock and breccia at depth with some well-developed potassic alteration, strongly suggesting a porphyry origin. Intercepts included 120.5m @ 0.58g/t Au; 2.74g/t Ag and a 4.0m intersection indicative of the porphyry target grading 1.88g/t Au, 0.55% Cu, 28.98g/t Ag.

Snip North is the northern most target along strike of a projected regional structural trend that localizes intrusive related prospects on the Iskut property. Historical shallow drill results showed evidence of an intrusive mineral system hosted by clastic sedimentary rocks. Geophysical surveys confirmed the regional structural trend and identified a pattern consistent with porphyry mineral systems. Preliminary drill results show intensive hydrothermal alteration of the host rocks. Our current interpretation is that a robust intermediate sulfidation epithermal system is preserved at depth. Vectoring analysis is underway for the source of the intrusive system and a porphyry Cu-Au deposit.

**This objective was accomplished.**

**Objective #13:**

**Complete at least 7,500 meters of drilling at 3 Aces to test our geologic model and prioritize areas for resource definition.**

**(7% weighting)**

Drilling at 3 Aces totaled 7,759 meters in 27 holes. Diamond core drilling was employed to capture downhole structural orientations and reverse circulation drilling was used to sample projections of the mineralized structure. In conjunction, these two drilling methods successfully demonstrated that our exploration model can predict the location of gold concentrations.

**This objective was accomplished.**

**Objective #14:**

**Complete a drill program of at least 3,500 meters at Snowstorm to test the potential for mineralized faults along a zone of uplifted host stratigraphy.**

**(3% weighting)**

Drilling at the Snowstorm Project in 2023 totaled 1,905 meters in two reverse circulation drill holes which successfully intersected the north-south trending, east dipping geophysical targets that are interpreted as faults. No significant pathfinder anomalies were intersected. Drill service capacity in Nevada continues to decline, causing significant inflation. We decided to terminate the 2023 program early and re-evaluate the best approach to effectively define a target concept.

**This objective was NOT accomplished.**

**In summary, Seabridge achieved 11 of the 14 objectives set for 2023, or 82% of the 100% weightings that were applied.**