

**APPENDIX 20-C  
THIRD PARTY ASSESSMENT OF KSM PROJECT  
2012 ECONOMIC MODEL REPORT**

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**Private and confidential**

December 19, 2012

Brent Murphy  
Seabridge Gold Inc.  
1111 West Hastings Street, Sixth Floor  
Vancouver, BC V6E 2J3

Dear Mr. Murphy:

**Assess KSM Project 2012 Economic Model Report**

PricewaterhouseCoopers LLP (“PwC”) has completed our assessment of the *KSM Project 2012 Economic Model Report* (“the KSM Report”) prepared by Rescan Environmental Services Ltd. (“Rescan”). Our approach and key findings are summarized in the following sections.

The Report was prepared in response to a requirement in the Application Information Requirements (AIR) for the KSM (Kerr-Sulphurets-Mitchell) Project, as approved by the Environmental Assessment Office on January 31, 2011, for Seabridge Gold Inc.’s Application for an Environmental Assessment Certificate.

Seabridge Gold Inc. (“Seabridge”) engaged PwC to provide an assessment of the Report prepared for Seabridge as it relates to job creation, multipliers and broad predictions of economic impacts as per Section 13.1.6 Assessment of Potential Effects of the AIR.

***Our approach***

Our approach included the following activities:

- Assessment of the economic impact methodology and data sources of Input-Output tables used in the Report
- Assessment of the assumptions used to conduct the economic impact analysis
- Assessment of the data sources used as inputs to the economic impact model
- Assessment of the modelling results for reasonableness of the measurement outputs for job creation, multipliers and broad predictions of economic impacts
- Assessment of the readability of the report for general comprehension

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As part of this assessment, we also conducted interviews with the report authors and reviewed project documents as described below:

- Telephone interview with Kent Gustavson, of Rescan Environmental Services and Marcel LeBreton, EcoTech Consultants
- Document review of the, *KSM Project 2012 Economic Model Report*, prepared by Rescan Environmental Services Ltd.
- Document review of the, *Seabridge Gold Inc. 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study ("Prefeasibility")*, prepared by Tetra Tech Wardrop, June 22, 2012

### ***Limitations of our work***

PwC has relied upon the completeness, accuracy and fair presentation of all the information, data, advice, opinions or representations obtained from Seabridge (collectively, the "Information"). The findings in this letter are conditional upon such completeness, accuracy and fair presentation of the Information. PwC has not verified independently the completeness, accuracy and fair presentation of the Information. We are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us.

PwC reserves the right at its discretion to withdraw or make revisions to the Report should PwC be made aware of facts existing at the date of the report that were not known to PwC when it prepared the Report. The findings and recommendations are given as of the date hereof and PwC is under no obligation to advise any person of any change or matter brought to its attention after such date, which would affect the findings and recommendations, and PwC reserves the right to change or withdraw the Report.

PwC understands this report will be submitted to the British Columbia Environmental Assessment Office by Seabridge as part of their Application for an Environmental Assessment Certificate for the KSM Project. We do not accept any liability or responsibility to any Third Party who benefits from or gains access to the Deliverables.

### ***PwC study team***

We have reviewed the requirements of the AIR regarding requirements to have the assessment signed off by a Certified General Accountant or a Certified Management Accountant. As these particular certifications relate to accounting and not economics specifically, a study team was assigned to conduct the assessment with the appropriate education and experience in economics required to understand and comment on complex econometric modeling.

The majority of PwC partners and staff who have accounting designations are Chartered Accountants (CA) which we assume is a comparable certification to the CGA or CMA requirements as requested in the AIR. Accordingly, Mike Harris, FCA (Fellow Chartered Accountant) has provided the final partner sign-off for this assessment.

The assessment was conducted by the following people:

- Janice Plumstead, MBA, Director in Economics and Statistics, Consulting and Deals
- Jessica Yu, MA Economics, Manager in Economics and Statistics, Consulting and Deals
- Dale Orr, PhD Economics, Senior Economist, PwC Contractor in Economics and Statistics, Consulting and Deals

The engagement partner and second partner for the review provided overall quality assurance:

- Bruce McIntyre, MBA, Leader, Sustainable Business Solutions, Consulting and Deals
- Kartik Kannan, CA (India), CIA, CISA, CRISC, Risk and Controls, Consulting and Deals
- Mike Harris, FCA (Fellow Chartered Accountant), Risk and Controls, Consulting and Deals

### ***Summary of findings***

Overall, the KSM Report satisfies the requirements of the AIR with regard to conducting a study that reports on job creation and broad projections of economic impacts as they relate to the proposed construction and operations of the KSM project. Quantitative methods used to produce the results involved economic modelling from the Input-Output approach, to estimate the direct, indirect and induced employment, income and GDP effects.

#### **Economic impact methodology and data sources of the Input-Output tables**

From our assessment of the KSM Report, we determined that the quantitative methods and modelling methodology used to conduct the study was generally consistent with the standard practice of how economists conduct an economic impact analysis.

In Canada, economic modelling for direct, indirect and induced effects generally makes use of Statistics Canada's Input-Output tables, and in British Columbia, there is an option to use the BC Input-Output Model ("BCIOM") which is based on Statistics Canada's Input-Output tables. As noted in the requirements in the AIR, certain economic indicators were to be predicted and measured using the BCIOM.

In the KSM Report, Statistics Canada's Input-Output tables were used as the basis of the modelling. In addition to Statistics Canada's Input-Output tables, customized data matrices were used to estimate the project impacts on British Columbia and other provinces in Canada as well as impacts in the various regions of British Columbia. As such, we agree with how the model was used to develop the provincial impacts and acknowledge the advantages provided in being able to demonstrate the broader impacts of the project beyond British Columbia's borders.

#### **Assumptions developed for the modelling**

The Input-Output modelling assumptions which are outlined in Section 2.4 of the KSM Report, Model Caveats, appear to be reasonable for the Report and are clearly presented.

#### **Data sources used as inputs to the economic impact model**

Input data for the economic modelling used in the analysis were based on the employment estimates and expenditure data provided in the Prefeasibility study prepared by Tetra Tech Wardrop for the KSM property. The Prefeasibility study is a National Instrument 43-101 compliant report on the KSM property.

December 19, 2012  
Seabridge Gold, Inc.

**Reasonableness of the modelling results**

An assessment was conducted of the relationships between the economic impacts for various economic indicators in many of the tables of the report to determine whether the implied GDP per employee, total tax revenue relative to total GDP, and personal income per employee, appeared to be reasonable. Generally, these relationships, measured at the aggregate level, appear to be reasonable.

Yours truly,

A handwritten signature in black ink that reads "Mike Harris". The signature is written in a cursive, flowing style.

Mike Harris, FCA  
Incorporated Partner

cc. Janice Plumstead