**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 40-F

o **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**
**OR**

þ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2015** **Commission file number: 1-32135**

# Seabridge Gold Inc.

(Exact name of Registrant as specified in its charter)

| Canada | 1040 | Not Applicable |
|---|---|---|
| (Province or other jurisdiction of incorporation or organization) | (Primary Standard Industrial Classification Code Number) | (I.R.S. Employer Identification No.) |

**106 Front Street East, Suite 400**
**Toronto, Ontario CANADA M5A 1E1**
**(416) 367-9292**
(Address and telephone number of Registrant's principal executive offices)

**Corporation Service Company**
**1180 Sixth Avenue**
**New York, New York 10036**
**(212) 299-5656**
(Name, address and telephone number of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

| Title of Each Class: | Name of Each Exchange On Which Registered: |
|---|---|
| Common Shares, no par value | NYSE |

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

þ Annual Information Form þ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 52,139,626 common shares (as of December 31, 2015).

Indicate by check mark whether the Registrant by filing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). If "Yes" is marked, indicate the filing number assigned to the Registrant in connection with such Rule. oYes þ No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. þ Yes o No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). o Yes þ No (not required)

## EXPLANATORY NOTE

Seabridge Gold Inc. (the "Registrant" or "we" or "us") is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on Form 40-F ("Form 40-F") pursuant to the multi-jurisdictional disclosure system of the Exchange Act. We are a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Accordingly, our equity securities are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

## PRINCIPAL DOCUMENTS

The following documents have been filed as part of this Annual Report on Form 40-F and incorporated by reference herein:

**A. Annual Information Form**

Our Annual Information Form (the "AIF") for the year ended December 31, 2015 is attached as Exhibit 99.1 of this Annual Report on Form 40-F.

**B. Audited Annual Financial Statements**

Our audited annual financial statements ("Audited Financial Statements"), for the year ended December 31, 2015, including the Independent Auditors' Report of Registered Public Accounting Firm are attached as Exhibit 99.2 of this Form 40-F. The Audited Financial Statements are stated in Canadian Dollars (CDN$) and are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

**C. Management's Discussion and Analysis**

Our management's discussion and analysis (the "MD&A") for the year ended December 31, 2015 is attached as Exhibit 99.3 of this Form 40-F.

## FORWARD-LOOKING STATEMENTS

This Form 40-F and the exhibits attached hereto contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Exchange Act, and forward-looking information within the meaning of Canadian securities laws concerning our projects, business approach and plans, including estimated production, capital, operating and cash flow estimates and other matters at our projects. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements and forward-looking information (collectively referred to in the following information simply as "forward-looking statements"). In addition, statements concerning mineral reserve and mineral resource estimates constitute forward-looking statements to the extent that they involve estimates of the mineralization expected to be encountered if a mineral property is developed and the economics of developing a property and producing minerals.

Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments. In making the forward-looking statements in this Form 40-F and the exhibits attached hereto, we have applied several material assumptions including, but not limited to, the assumption that: (i) market fundamentals will result in sustained demand and prices for gold and copper, and to a much lesser degree, silver and molybdenum; (ii) the potential for production at our mineral projects will continue operationally, legally and economically; (iii) any additional financing needed will be available on reasonable terms; and (iv) estimated resources at our projects have merit and there is continuity of mineralization as reflected in such estimates.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- our history of losses and negative cash flows from operations and expectation of future losses and negative cash flows from operations;
- risks related to our ability to continue our exploration activities and future development activities, and to continue as a going concern, which are dependent in part on our ability to obtain suitable financing, enter into joint ventures or sell property interests;
- uncertainty of whether the reserves estimated on our mineral properties will be brought into production;
- uncertainty relating to the assumptions underlying our resource and reserve estimates;
- uncertainty of estimates of capital costs, operating costs, production and economic returns;
- risks related to commercially producing precious metals from our mineral properties;
- risks related to fluctuations in the market price of gold, copper and other metals;
- risks related to fluctuations in foreign exchange rates;
- mining, exploration and development risks that could result in damage to mineral properties, plant and equipment, personal injury, environmental damage and delays in mining, which may be uninsurable or not of adequate amounts;
- risks related to obtaining all necessary permits and governmental approvals for exploration, development and mining activities, including in respect of environmental regulation;
- uncertainty related to title to our mineral properties and rights of access over or through lands subject to third party mineral tenures;
- risks related to unsettled First Nations rights and title, including risks arising as a result of the Supreme Court of Canada decision in *Tsilhqot'in Nation v. British Columbia* of June 26, 2014, and settled Treaty Nations' rights;
- risks related to increases in demand for exploration, development and construction services equipment, and related cost increases;
- increased competition in the mining industry;
- our need to attract and retain qualified management and personnel;
- risks related to conflicts of interest due to some of our directors' and officers' involvement with other natural resource companies; and
- our classification as a "passive foreign investment company" under the United States tax code.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in our AIF attached hereto as Exhibit 99.1 under the heading “Risk Factors” and elsewhere in the AIF, and in the documents incorporated by reference in this Form 40-F and the AIF. In addition, although we have attempted to identify important factors that could cause actual achievements, events or conditions to differ materially from those identified in the forward-looking statements, there may be other factors that cause achievements, events or conditions not to be as anticipated, estimated or intended. It is also noted that while we engage in exploration and development of our properties, we will not undertake production activities by ourselves.

These forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and we do not assume any obligation to update forward-looking statements, except as required by applicable securities laws, if circumstances or management’s beliefs, expectations or opinions should change. For the reasons set forth above, persons should not place undue reliance on forward-looking statements.

**CURRENCY**

Unless otherwise indicated, all dollar amounts in this Form 40-F are in Canadian dollars. The exchange rate of Canadian dollars into United States dollars, on December 31, 2015, based on the noon buying rate in New York City for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York, was CDN$1.00 = US$0.7225.

**NOTE TO UNITED STATES READERS-**
**DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES**

We are permitted under the multi-jurisdictional disclosure system adopted by the United States Securities and Exchange Commission (the "SEC"), to prepare this Form 40-F in accordance with Canadian disclosure requirements, which differ from those of the SEC. We have prepared our financial statements, which are filed as Exhibit 99.2 to this Form 40-F, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and they are not comparable with financial statements of U.S. and other companies prepared in accordance with U. S. generally accepted accounting principles.

**RESOURCE AND RESERVE ESTIMATES**

We prepared the AIF for the fiscal year ended December 31, 2015 attached as Exhibit 99.1 to this Form 40-F and incorporated by reference herein in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all reserve and resource estimates contained in or incorporated by reference in this Form 40-F have been prepared in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Canadian Institute of Mining Metallurgy and Petroleum Classification System (the "CIM") "Standards on Mineral Resources and Mineral Reserves", adopted by the CIM Council, as amended. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the SEC, including Industry Guide 7 under the Securities Act. Resource information contained herein and incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies.

Without limiting the foregoing, this Form 40-F, including the documents incorporated by reference herein, uses the terms "measured", "indicated" and "inferred" resources. U.S. investors are cautioned that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves.

U.S. investors should also understand that "inferred resources" are based on limited geologic evidence and have great uncertainty as to their economic and legal feasibility. Although it is reasonably expected that the majority of "inferred resources" could be upgraded to "indicated resources" with continued exploration, U.S. investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report "resources" as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in the AIF, or in the documents incorporated by reference to this Form 40-F and the AIF, may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

**TAX MATTERS**

Purchasing, holding or disposing of our securities may have tax consequences under the laws of the United States and Canada that are not described in this annual report. Shareholders are solely responsible for determining the tax consequences as applicable to their particular circumstances and should consult with their own tax advisors concerning an investment in our securities.

U.S. holders of our common shares should be aware that we believe that for U.S. federal income tax purposes we were classified as a passive foreign investment company ("PFIC") during the tax year ended December 31, 2015 and, based upon current business plans and financial expectations, we expect to be classified as a PFIC for the tax year ending December 31, 2016.

Assuming we are classified as a PFIC for any year during a U.S. shareholder's holding period, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of our common shares, (as well as any "excess distribution" received on the common shares) as if the gain were ordinary income (rather than capital gain) that had been realized ratably over the holding period of the common shares. The amount allocated to the current taxable year or to any year prior to the first taxable year in which we were a PFIC, would be taxed as ordinary income earned in the current taxable year. The amount allocated to other taxable years would be taxed at the highest marginal rates applicable to ordinary income for such taxable years, and the U.S. Holder also would be liable for an interest charge on such tax liability for such years. The ownership and disposition of shares in a PFIC must be reported on Form 8621, filed with a U.S. Holder's federal income tax return. The foregoing excess distribution rules would not apply to the extent that the shareholder makes a timely and effective "qualified electing fund" ("QEF") election or a "mark-to-market" election with respect to the common shares. A U.S. shareholder who makes a QEF election generally must report on a current basis his share of our net capital gain and ordinary earnings for any year in which we are a PFIC, whether or not we distribute any amounts to our shareholders. For each tax year that we are a PFIC, we will make available the PFIC annual information statement as provided pursuant to Treasury Regulation Section 1.1295-1(g) on our website. A U.S. shareholder who makes the mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the common shares over his basis therein.

Each U.S. shareholder should consult with his own tax advisor regarding the PFIC rules and U.S. federal income tax consequences of the acquisition, ownership and disposition of our common shares.

## DISCLOSURE CONTROLS AND PROCEDURES

*Evaluation of Disclosure Controls and Procedures*

At the end of the period covered by this annual report on Form 40-F, an evaluation was carried out under the supervision of, and with the participation of our management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a–15(e) and Rule 15d–15(e) under the Exchange Act). Based on that evaluation, the CEO and the CFO have concluded that as of the end of the period covered by this annual report, our disclosure controls and procedures were adequately designed and effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including the CEO and the CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

*Management's Annual Report on Internal Control over Financial Reporting*

For management's report on internal control over financial reporting, see "Internal Controls over Financial Reporting" in our MD&A attached as Exhibit 99.3 to this annual report on Form 40-F and incorporated by reference herein.

*Attestation Report of the Independent Registered Public Accounting Firm*

Our independent registered public accounting firm has issued an attestation report on our internal control over financial reporting as of December 31, 2015, which immediately precedes the audited consolidated financial statements included as part of Exhibit 99.2 to this annual report on Form 40-F and incorporated by reference herein.

*Changes in Internal Controls over Financial Reporting*

During the fiscal year ended December 31, 2015, no changes occurred in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

*Certifications*

See Exhibits 31.1, 31.2, 32.1 and 32.2 to this Form 40-F.

## CORPORATE GOVERNANCE

We are subject to a variety of corporate governance guidelines and requirements of the Toronto Stock Exchange, the NYSE (the "NYSE"), the Canadian Securities Administrators and the SEC. We believe that we meet or exceed the applicable corporate governance requirements. According to the NYSE Rules, a listed company must adopt and disclose a set of corporate governance guidelines with respect to specified topics. Such guidelines are required to be posted on the registrant's website. Although we are listed on the NYSE, we are not required to comply with all of that exchange's corporate governance rules which are applicable to U.S. corporations. The significant ways in which the NYSE governance rules differ for us, as a foreign company, are a reduced quorum requirement for shareholder meetings, shareholder approval for issuance of common shares that could result in a 20% increase in the number of outstanding common shares and shareholder approval of certain compensation plans. The guidelines are available for viewing on our website at http://www.seabridgegold.net/ManCorpPract.pdf and are available without charge in print to any shareholder who requests them. Requests for copies of the guidelines should be made to the Secretary of our company at 106 Front Street East, Suite 400, Toronto, Ontario, Canada M5A 1E1, Telephone (416) 367-9292.

We review our governance practices and monitor developments in Canada and the United States on an on-going basis to ensure we remain in compliance with applicable rules and standards. The Board is committed to sound corporate governance practices which are both in the interest of our shareholders and contribute to effective and efficient decision making.

## AUDIT COMMITTEE

*Audit Committee*

The Board has a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of our Audit Committee are identified under the heading "Audit Committee Information" in the AIF which is attached as Exhibit 99.1 to this annual report on Form 40-F and incorporated by reference herein. In the opinion of the Board, all members of the Audit Committee are financially literate and independent, as such terms are defined by the NYSE's corporate governance listing standards applicable to us and as determined by Rule 10A-3 under the Exchange Act.

*Audit Committee Financial Expert*

The Board has determined that Richard Kraus, Chairman of the Audit Committee, has the necessary qualifications to be designated as an "audit committee financial expert" within the meaning of applicable SEC Rules and is an "independent director", as defined pursuant to Item 407(d)(5) of SEC Regulation S-K. Mr. Kraus is a Certified Public Accountant and has served as a director, senior executive and business consultant in multiple industries, with an emphasis on mining and natural resources. He is a graduate of La Salle University in Business Administration. Mr. Kraus had served on the Audit Committe, becoming Chairman in March 2016 after the death of the former Chairman. The SEC has indicated that the designation of an audit committee financial expert does not make that person an "expert" for any purpose, impose any duties, obligations, or liability on that person that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation, or affect the duties, obligations, or liabilities of any other member of the audit committee or board of directors.

*Audit Committee Charter*

Our Audit Committee Charter is available on our website at *http://www.seabridgegold.net/governance.php*, and is provided in Schedule A to the AIF, which is attached as Exhibit 99.1 to this annual report on Form 40-F and incorporated by reference herein. The Charter also is available in print to any shareholder that provides us with a written request. Requests for copies should be made to the Secretary of our company at 106 Front Street East, Suite 400, Toronto, Ontario, Canada M5A 1E1, Telephone (416) 367-9292.

## PRINCIPAL ACCOUNTING FEES AND SERVICES – INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP acted as our independent registered public accounting firm for the fiscal years ended December 31, 2015 and 2014. For a description of the total amount billed by KPMG LLP to us for services performed in the last two fiscal years by category of service (audit fees, audit-related fees, tax fees and all other fees), see Item 9 "Audit Committee Information - External Auditor Service Fees (by Category)" in the AIF, which is attached as Exhibit 99.1 to this Form 40-F and incorporated by reference herein.

## AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

For a description of our pre-approval policies and procedures related to the provision of non-audit services, see Item 9 "Audit Committee Information- Pre-Approval of Audit and Non-Audit Services Provided by Independent Auditors" in the AIF, which is attached as Exhibit 99.1 to this Form 40-F and incorporated by reference herein.

## OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet financing arrangements or relationships with unconsolidated special purpose entities.

## CODE OF BUSINESS ETHICS

We have adopted a Code of Business Ethics (the "Code") covering our executive officers and directors. The Code is available on our website at http://www.seabridgegold.net/ManCorpPract.pdf and from our office at the address listed on the cover of this Form 40-F.

All amendments and all waivers of the Code to the officers covered by it will be posted on our website, furnished to the SEC as required, and provided to any shareholder who requests them. During the fiscal year ended December 31, 2015, we did not grant any waiver, including an implicit waiver, from a provision of the Code to any executive officer or director.

## CONTRACTUAL OBLIGATIONS

For a description of our contractual obligations, see "Contractual Obligations" in the MD&A, which is attached as Exhibit 99.3 to this Form 40-F and incorporated by reference herein.

## MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine safety and Health Administration under the Federal Mine Safety and Health Act of 1977. During the fiscal year ended December 31, 2015, we were not an operator, of a coal or other mine in the United States.

## NOTICES PURSUANT TO REGULATION BTR

We did not send any notices required by Rule 104 of Regulation BTR during the fiscal year ended December 31, 2015 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

## INTERACTIVE DATA FILE

We are not currently required to submit to the SEC, nor post to our corporate website, an Interactive Data File.

## ADDITIONAL INFORMATION

Additional information relating to us, including the Audited Financial Statements, the MD&A and the AIF, can be found on SEDAR at www.sedar.com, on the SEC website at www.sec.gov, or on our website at *www.seabridgegold.net*. Shareholders may also contact the Secretary of our company by phone at (416) 367-9292 or by e-mail at info@seabridgegold.net to request copies of these documents and this annual report on Form 40-F.

## CONTACTING THE BOARD

Shareholders, employees and other interested parties may communicate directly with the Board by:

- writing to: Rudi Fronk
  Chairman and CEO
  Seabridge Gold, Inc.
  106 Front Street, East, 4th Floor
  Toronto, Ontario, Canada M5A 1E1
- calling: (416) 367-9292
- emailing: rudi@seabridgegold.net

## UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

### A. Undertaking

We undertake to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

### B. Consent to Service of Process

We have previously filed with the SEC a written consent to service of process and power of attorney on Form F-X. Any change to the name or address of our agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing our file number.

**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

**Seabridge Gold Inc.**

By: /s/ Rudi P. Fronk
Rudi P. Fronk
Chairman and Chief Executive Officer

Date: March 24, 2016

**EXHIBITS**

| | |
|---|---|
| Consents | |
| 23.1 | Consent of KPMG LLP, Independent Registered Public Accounting Firm |
| 23.2 | Consent of Tetra Tech WEI, Inc., Dr. John Huang, Sabry Abdel Hafez and Hassan Ghaffari |
| 23.3 | Consent of Moose Mountain Technical Services and James H. Gray |
| 23.4 | Consent of W.N. Brazier Associates Inc. and Neil Brazier |
| 23.5 | Consent of ERM Consultants Canada Ltd. and Pierre Pelletier |
| 23.6 | Consent of Klohn Crippen Berger Ltd. and J. Graham Parkinson |
| 23.7 | Consent of Allnorth Consultants Ltd. and Darby Kreitz |
| 23.8 | Consent of Resource Modeling Inc. and Michael J. Lechner |
| 23.9 | Consent of McElhanney Consulting Services Ltd. and R. W. Parolin |
| 23.10 | Consent of BGC Engineering Inc. and Warren Newcomen |
| 23.11 | Consent of Tetra Tech EBA Inc., Kevin Jones and Nigel Goldup |
| 23.12 | Consent of Golder Associates Ltd., Ross Hammett and Albert Victor Chance |
| 23.13 | Consent of Stantec Consulting Ltd. and Tony Wachmann |
| 23.14 | Consent of SRK Consulting (Canada) Inc. and Stephen Day |
| 23.15 | Consent of William Threlkeld |
| Certifications | |
| 31.1 | Certification of Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| Annual Information | |
| 99.1 | Annual Information Form for the year ended December 31, 2015 |
| 99.2 | Audited Financial Statements for the year ended December 31, 2015 |
| 99.3 | Management’s Discussion and Analysis for the year ended December 31, 2015 |

**Exhibit 23.1**



**KPMG LLP**
Bay Adelaide Centre
333 Bay Street Suite 4600
Toronto ON M5H 2S5
Canada

Telephone (416) 777-8500
Fax (416) 777-8818
Internet www.kpmg.ca

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors of Seabridge Gold Inc.

We consent to the use in this Annual Report on Form 40-F of:

- Our Independent Auditor's Report of Registered Public Accounting Firm, dated March 24, 2016, on the consolidated financial statements of Seabridge Gold Inc. (the "Company") comprising the consolidated statements of financial position of the Company as at December 31, 2015 and December 31, 2014, the consolidated statements of operations and comprehensive loss, changes in shareholder's equity and cash flows for the years ended December 31, 2015 and December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information, and
- Our Report of Independent Registered Public Accounting Firm, dated March 24, 2016, on the effectiveness of the Company's internal control over financial reporting as of December 31, 2015

each of which is incorporated by reference in this Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2015.

We also consent to the incorporation by reference of such reports in the Registration Statements (No. 333-197653) on Form F-10 of the Company.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

March 24, 2016
Toronto, Canada

**Exhibit 23.2(a)**

**Tetra Tech WEI, Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following reports:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014
- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014

(collectively, the "**Reports**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Jianhui (John) Huang, Ph.D., P.Eng., on behalf of myself and Tetra Tech WEI Inc., hereby:

1. consent to the public filing of the Reports and the use of any extracts from or a summary of the Reports in the 40-F;

2. consent to the use of my name and Tetra Tech WEI Inc.'s name and references to the Reports, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Reports in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Reports for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Yours truly,

/s/ Jianhui (John) Huang, Ph.D., P.Eng
Jianhui (John) Huang, Ph.D., P.Eng.

**Exhibit 23.2(b)**

**Tetra Tech WEI, Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following reports:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014
- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014

(collectively, the "**Reports**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Sabry Abdel Hafez, Ph.D., P.Eng., on behalf of myself and Tetra Tech WEI Inc., hereby:

1. consent to the public filing of the Reports and the use of any extracts from or a summary of the Reports in the 40-F;

2. consent to the use of my name and Tetra Tech WEI Inc.'s name and references to the Reports, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Reports in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Reports for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Yours truly,

/s/ Sabry Abdel Hafez, Ph.D., P.Eng.
Sabry Abdel Hafez, Ph.D., P.Eng.

**Exhibit 23.2(c)**

**Tetra Tech WEI Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Hassan Ghaffari, P.Eng., on behalf of myself and Tetra Tech WEI Inc., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and Tetra Tech WEI Inc.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Hassan Ghaffari, P.Eng.
Hassan Ghaffari, P.Eng.

**Exhibit 23.3**

**Moose Mountain Technical Services**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following reports:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014
- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014

(collectively, the "**Reports**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, James H. Gray, P.Eng., on behalf of myself and Moose Mountain Technical Services, hereby:

1. consent to the public filing of the Reports and the use of any extracts from or a summary of the Reports in the 40-F;

2. consent to the use of my name and Moose Mountain Technical Services' name and references to the Reports, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Reports in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Reports for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Yours truly,

/s/ James H. Gray, P.Eng
James H. Gray, P.Eng.

**Exhibit 23.4**

**W.N. Brazier Associates Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following reports:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014
- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014

(collectively, the "**Reports**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Neil Brazier, P.Eng., on behalf of myself and W.N. Brazier Associates Inc., hereby:

1. consent to the public filing of the Reports and the use of any extracts from or a summary of the Reports in the 40-F;

2. consent to the use of my name and W.N. Brazier Associates Inc.'s name and references to the Reports, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Reports in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Reports for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Yours truly,

/s/ Neil Brazier, P.Eng.
Neil Brazier, P.Eng.

**Exhibit 23.5**

**ERM Consultants Canada Ltd.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following reports:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014
- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014

(collectively, the "**Reports**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Pierre Pelletier, P.Eng., on behalf of myself and ERM Consultants Canada Ltd., hereby:

1. consent to the public filing of the Reports and the use of any extracts from or a summary of the Reports in the 40-F;

2. consent to the use of my name and ERM Consultants Canada Ltd.'s name and references to the Reports, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Reports in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Reports for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Yours truly,

/s/ Pierre Pelletier, P.Eng.
Pierre Pelletier, P.Eng.

**Exhibit 23.6**

**Klohn Crippen Berger Ltd.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, J. Graham Parkinson, P.Geo., on behalf of myself and Klohn Crippen Berger Ltd., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and Klohn Crippen Berger Ltd.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ J. Graham Parkinson, P.Geo

J. Graham Parkinson, P.Geo.

**Exhibit 23.7**

**Allnorth Consultants Ltd.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Darby Kreitz, P.Eng., on behalf of myself and Allnorth Consultants Ltd., hereby

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and Allnorth Consultants Ltd.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Darby Kreitz, P.Eng.
Darby Kreitz, P.Eng.

**Exhibit 23.8**

**Resource Modeling Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

1. In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Michael J. Lechner, P.Geo., RPG, CPG, on behalf of myself and Resource Modeling Inc., hereby, consent to the use of my name and authorize the use of the information represented in the 40-F as having been prepared by or under my supervision.

2. I confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the information represented in the 40-F as having been prepared by me or under my supervision or within my knowledge as a result of the services performed by me in connection with such information.

Yours truly,

/s/ Michael J. Lechner, P.Geo., RPG, CPG
Michael J. Lechner, P.Geo., RPG, CPG

**Exhibit 23.9**

**McElhanney Consulting Services Ltd.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, R.W. Parolin, P.Eng., on behalf of myself and McElhanney Consulting Services Ltd., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and McElhanney Consulting Services Ltd.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ R.W. Parolin, P.Eng.
R.W. Parolin, P.Eng.

**Exhibit 23.10**

**BGC Engineering Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Warren Newcomen, M.S., P.Eng., on behalf of myself and BGC Engineering Inc., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and BGC Engineering Inc.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Warren Newcomen, M.S., P.Eng.
Warren Newcomen, M.S., P.Eng.

**Exhibit 23.11(a)**

**Tetra Tech EBA Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following reports:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014
- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014

(collectively, the "**Reports**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Kevin Jones, P.Eng., on behalf of myself and Tetra Tech EBA Inc., hereby:

1. consent to the public filing of the Reports and the use of any extracts from or a summary of the Reports in the 40-F;

2. consent to the use of my name and Tetra Tech EBA Inc.'s name and references to the Reports, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Reports in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Reports for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Reports or that are within my knowledge as a result of the services performed by me in connection with the Reports.

Yours truly,

/s/ Kevin Jones, P.Eng.
Kevin Jones, P.Eng.

**Exhibit 23.11(b)**

**Tetra Tech EBA Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Nigel Goldup, P.Eng., on behalf of myself and Tetra Tech EBA Inc., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and Tetra Tech EBA Inc.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Nigel Goldup, P.Eng.
Nigel Goldup, P.Eng.

**Exhibit 23.12(a)**

**Golder Associates Ltd.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Ross Hammett, Ph.D., P.Eng., on behalf of myself and Golder Associates Ltd., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and Golder Associates Ltd.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Ross Hammett, Ph.D., P.Eng.
Ross Hammett, Ph.D., P.Eng.

**Exhibit 23.12(b)**

**Golder Associates Ltd.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Albert Victor Chance, P.Eng., on behalf of myself and Golder Associates Ltd., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and Golder Associates Ltd.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Albert Victor Chance, P.Eng

Albert Victor Chance, P.Eng.

**Exhibit 23.13**

**Stantec Consulting Ltd.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- 2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study dated June 22, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Tony Wachmann, P.Eng., on behalf of myself and Stantec Consulting Ltd., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and Stantec Consulting Ltd.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Tony Wachmann, P.Eng.
Tony Wachmann, P.Eng.

**Exhibit 23.14**

**SRK Consulting (Canada) Inc.**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

Reference is made to the following report:

- Courageous Lake Prefeasibility Study dated September 5, 2012 and amended November 11, 2014 (the " **Report**")

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, Stephen Day, M.Sc., P.Geo., on behalf of myself and SRK Consulting (Canada) Inc., hereby:

1. consent to the public filing of the Report and the use of any extracts from or a summary of the Report in the 40-F;

2. consent to the use of my name and SRK Consulting (Canada) Inc.'s name and references to the Report, or portions thereof, in the 40-F and to the inclusion or incorporation by reference of information derived from the Report in the 40-F;

3. confirm that I have read the 40-F and that it fairly and accurately represents the information in the sections of the Report for which I am responsible; and

4. confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the Report or that are within my knowledge as a result of the services performed by me in connection with the Report.

Yours truly,

/s/ Stephen Day, M.Sc., P.Geo.
Stephen Day, M.Sc., P.Geo.

**Exhibit 23.15**

March 24, 2016

TO: Seabridge Gold Inc.
United States Securities and Exchange Commission

**Re: Seabridge Gold Inc. (the "Company")**
**Consent of Expert**

Ladies and Gentlemen:

In connection with the Company's Annual Report on Form 40-F (the "40-F"), to be filed with the U.S. Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934, as amended, I, William Threlkeld, the Senior Vice President, Exploration of the Company and a Registered Professional Geologist, consent to the use of my name and authorize the use of the information represented in the 40-F as having been prepared by or under my supervision.

I confirm that I have read the 40-F and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from the information represented in the 40-F as having been prepared by me or under my supervision or within my knowledge as a result of the services performed by me in connection with such information.

Yours truly,

/s/ William Threlkeld

William Threlkeld, P.Geo

**Exhibit 31.1**

**CERTIFICATIONS PURSUANT TO SECTION 302**
**OF**
**THE SARBANES-OXLEY ACT OF 2002**

I, Rudi P. Fronk, Chairman and CEO, certify that:

1. I have reviewed this Annual Report on Form 40-F of Seabridge Gold Inc. (the "Issuer"):

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer as of, and for, the periods presented in this report;

4. The Issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Issuer's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and

d) Disclosed in this annual report any change in the Issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting; and

5. The Issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Issuer's auditors and the audit committee of the Issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Issuer's internal control over financial reporting.

Date: March 24, 2016

By: /s/ Rudi P. Fronk
Rudi P. Fronk
Chairman and CEO

**Exhibit 31.2**

**CERTIFICATIONS PURSUANT TO SECTION 302**
**OF**
**THE SARBANES-OXLEY ACT OF 2002**

I, Christopher J. Reynolds, VP Finance and CFO, certify that:

1. I have reviewed this Annual Report on Form 40-F of Seabridge Gold Inc. (the “Issuer”):

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer as of, and for, the periods presented in this report;

4. The Issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Issuer and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Issuer's disclosure controls and procedures and presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and

d) Disclosed in this annual report any change in the Issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Issuer's internal control over financial reporting; and

5. The Issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Issuer's auditors and the audit committee of the Issuer's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Issuer's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Issuer's internal control over financial reporting.

Date: March 24, 2016

By: /s/ Christopher J. Reynolds
Christopher J. Reynolds
VP Finance and CFO

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. §1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report of Seabridge Gold Inc. (the "Company") on Form 40-F for the period ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), I, Rudi P. Fronk, Chief Executive Officer of the Company, certify, pursuant to U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2016

By: /s/ Rudi P. Fronk
Rudi P. Fronk
Chief Executive Officer

This certification accompanies the Annual Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and may not be used or relied upon for any other purpose including Section 18 of the Securities Exchange Act of 1934.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO 18 U.S.C. §1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Annual Report of Seabridge Gold Inc. (the "Company") on Form 40-F for the period ended December 31, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), I, Christopher J. Reynolds, Vice President Finance and Chief Financial Officer of the Company, certify, pursuant to U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2016

By: /s/ Christopher J. Reynolds
Christopher J. Reynolds
Vice President Finance and CFO

This certification accompanies the Annual Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and may not be used or relied upon for any other purpose including Section 18 of the Securities Exchange Act of 1934.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

SEABRIDGE GOLD

# ANNUAL INFORMATION FORM

**FOR THE YEAR ENDED**
**DECEMBER 31, 2015**

**DATED MARCH 24, 2016**

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## PRELIMINARY NOTES

### Date of Information

The information in this Annual Information Form ("**AIF**") is presented as of December 31, 2015 unless specified otherwise.

### Reporting Currency

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. The Issuer's quarterly and annual financial statements are presented in Canadian dollars.

### Units of Measure

In this AIF a combination of Imperial and metric measures are used with respect to the Issuer's mineral properties. Conversion rates from Imperial measure to metric and from metric to Imperial are provided below:

| Imperial Measure = Metric Unit | | Metric Measure = Imperial Unit | |
|---|---|---|---|
| 2.47 acres | 1 hectare (h) | 0.4047 hectares | 1 acre |
| 3.28 feet | 1 meter (m) | 0.3048 meters | 1 foot |
| 0.62 miles | 1 kilometer (km) | 1.609 kilometers | 1 mile |
| 0.032 ounces (troy) (oz) | 1 gram (g) | 31.1035 grams | 1 ounce (troy) |
| 1.102 tons (short) | 1 tonne (t) | 0.907 tonnes | 1 ton |
| 0.029 ounces (troy)/ton | 1 gram/tonne (g/t) | 34.28 grams/tonne | 1 ounce (troy/ton) |

Abbreviations of unit measures are used in this AIF in addition to those in brackets in the table above as follows:

| | | | |
|---|---|---|---|
| Bt - Billion tonnes | Ga – Giga-annum | kWh - Kilowatt hours | Mlb - Million pounds |
| $Mm^3$ - Million cubic meters | Moz - Million ounces | m/s - Meters per second | Mt - Million tonnes |
| MWh - Megawatt hours | ppm - Parts per million | ppb – parts per billion | tpd – tonnes per day |
| $W/m^2$- | | | |

See "Glossary of Technical Terms" for a description of some important technical terms used in this AIF.

### Cautionary Note to United States Investors Regarding Resource Estimates

National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource and reserve estimates contained in or incorporated by reference in this AIF have been prepared in accordance with NI 43-101 and the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "**CIM**") Standards on Mineral Resource and the Mineral Reserves, adopted by the CIM Council (the "**CIM Standards**").

United States investors are cautioned that the requirements and terminology of NI 43-101 and the CIM Standards differ significantly from the requirements of the SEC, including Industry Guide 7 under the US Securities Act of 1933. Accordingly, the Issuer's disclosures regarding mineralization may not be comparable to similar information disclosed by companies subject to the SEC's Industry Guide 7. Without limiting the foregoing, while the terms "measured resources", "indicated resources" and "inferred resources" are recognized and required by Canadian securities laws, they are not recognized by the SEC and are not permitted to be used in documents filed with the SEC by companies subject to Industry Guide 7. Under U.S. Standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Mineral resources which are not mineral reserves do not have demonstrated economic viability and U.S. investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into reserves.

U.S. investors should also understand that "inferred resources" are based on limited geologic evidence and sampling and have great uncertainty as to their economic and legal feasibility. Although it is reasonably expected that the majority of "inferred resources" could be upgraded to "indicated resources" with continued exploration, U.S. investors are also cautioned not to assume that all or any part of an "inferred resource" exists, is economically mineable or will ever be upgraded to a higher category. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. In contrast, under U.S. rules, companies are normally only permitted to report "resources" as in place tonnage and grade without reference to unit measures.

# Seabridge Gold Inc.

## ANNUAL INFORMATION FORM

### ITEM 1: CORPORATE STRUCTURE

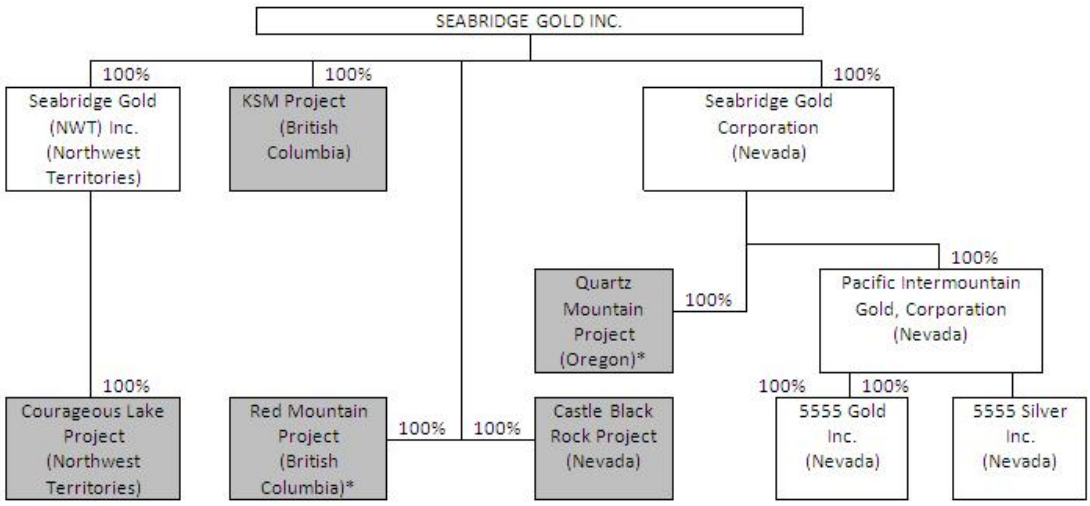
Incorporation of the Issuer

Seabridge Gold Inc. (the **"Issuer"** or **"Seabridge"**) was incorporated under the *Company Act* (British Columbia) on September 14, 1979 under the name of Chopper Mines Ltd., which was subsequently changed to Dragoon Resources Ltd. on November 9, 1984, and then changed once more to Seabridge Resources Inc. on May 20, 1998. On June 20, 2002, the Issuer changed its name to "Seabridge Gold Inc." and on October 31, 2002, the Issuer was continued under the *Canada Business Corporations Act*.

The Issuer's corporate offices are located at 106 Front Street East, 4 th Floor, Toronto, Ontario, Canada M5A 1E1. The Issuer's telephone number is (416) 367-9292. The Issuer's Shares are currently listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "SEA" and on the New York Stock Exchange (the **"NYSE"**) under the symbol "SA". The Issuer's registered office is located at 10 th Floor, 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5.

Incorporate Relationships

The Issuer presently has five wholly-owned subsidiaries: Seabridge Gold (NWT) Inc., a company incorporated under the laws of the Northwest Territories of Canada, Seabridge Gold Corporation, a Nevada corporation; Pacific Intermountain Gold, Corporation, a Nevada corporation, 5555 Gold Inc., a Nevada corporation, and 555 Silver Inc., a Nevada Corporation . The following diagram illustrates the inter-corporate relationship between the Issuer, its subsidiaries and its projects as of December 31, 2015.



* Seabridge has entered into option agreements under which a 100% interest in each of the Red Mountain and Quartz Mountain projects may be acquired by third parties.

## ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

Since 1999, Seabridge has taken steps to achieve its goal of providing strong returns to shareholders by maximizing leverage to the price of gold. The Issuer's strategy to achieve this goal is to optimize gold ownership per Common share by increasing gold resources more rapidly than shares outstanding. This ratio of gold ownership per Common share has provided a simple but effective measure for evaluating dollars spent on behalf of shareholders.

In 1999, management decided that Seabridge's strategic focus would be on acquiring, exploring and developing gold deposits. Seabridge determined it would not build or operate mines, but that it would look to partner or sell assets that were ready for production. In the Issuer's view, building mines adds considerable technical and financial risks and requires a different set of skills and resources. Seabridge also concluded that early stage exploration would be too risky in terms of trying to achieve a growing ratio of gold ownership per Common share. The Issuer therefore narrowed the activities it would undertake to the following three phases, which phases it planned to progress through in the order set forth and in response to increases in the price of gold: (i) acquiring known gold deposits, (ii) expanding the deposits, and (iii) defining the economic parameters of the deposits through engineering studies and upgrading mineral resources to reserves. The Issuer believed this was a relatively lower-risk and less capital-intensive strategy consistent with the goal of optimizing gold ownership per Common share.

In 1999, Seabridge set out to buy gold deposits in North America that were not economic in a low gold price environment. North America was selected as the preferred jurisdiction because of its established mineral tenure and permitting procedures, political stability and infrastructure advantages. At that time, many projects were for sale at distressed prices as producers struggled to stay in business. Seabridge decided it would acquire projects with three main characteristics:

1. Proven resources with quality work done by reputable companies;
2. Upside exploration potential; and
3. Low holding costs to conserve cash in the event that a higher gold price was not achieved.

From 1999 to 2002, Seabridge acquired eight deposits with gold resources in North America, paying less than US$1.00 per ounce of resource (using aggregate ounces from all resource categories) and has been paying less than US$0.10 per ounce per year in holding costs. Previous owners had spent an estimated US$300 million exploring and developing these deposits.

By 2002, with the gold price on the rise, the Issuer believed that it was becoming more expensive to acquire existing resources, and the cost-benefit equation tilted in favor of increasing gold ownership through exploration. Seabridge's strategy entered its second phase, which was to expand the Issuer's resource base by carefully targeted exploration. These efforts have proved highly successful, with total measured and indicated gold resources growing 539% over the past ten years and shares outstanding increasing only 63% during the same period.

By 2008, the gold price had risen sufficiently to make Seabridge think that a number of its projects might be economic. Therefore Seabridge began work on the third phase of its strategy: defining the economics of its projects through engineering studies and upgrading resources to reserves. This effort focused on the KSM Project, which, during the exploration phase, had emerged as the Issuer's most important asset. The permitting process began and the Issuer undertook substantial infill drilling programs to raise the confidence level in the project's resources. This work led to a completed Preliminary Feasibility Study for the KSM Project in March 2010, which was updated in June, 2011. The Issuer then undertook further optimization work at the KSM Project and revised its project design based on input received from regulatory authorities and local aboriginal groups, which work is reflected in the third Preliminary Feasibility Study for the KSM Project completed in June 2012. The Issuer submitted its Environmental Impact Statement/Environmental Assessment Application in the first quarter of 2013 and it was accepted for formal review by British Columbia in August, 2013. The Environmental Impact Statement/Environmental Assessment Application is based on the KSM Project design in the 2012 KSM Preliminary Feasibility Study. In conjunction with working through the environmental assessment process, the Issuer undertook the process of engagement with the Nisga'a Nation and other aboriginal groups potentially impacted by the project.

In 2010 the Issuer also turned its attention to its second-largest asset, the Courageous Lake Project. A preliminary economic assessment of this project was completed in early 2008 and indicated that the project's economics were marginal at the then prevailing gold price. However, with the increase in the gold price by 2010, the Issuer decided to start taking the Courageous Lake Project along a similar development path to the KSM Project, including additional drilling and further engineering work, and completed a preliminary feasibility study in September, 2012.

In 2012 the Issuer refocused its exploration activities and began undertaking drilling of new targets at both the KSM Project, in search of higher grade core zones, and the Courageous Lake Project, in search of deposits of higher grade material , that could improve the economics of each project. The exploration programs in the 2012 to 2015 seasons were very successful, with the generation of resource estimates for the new Deep Kerr deposit at the KSM Project and the new Walsh Lake deposit at the Courageous Lake Project and encouraging results obtained at other targets at the KSM Project, including below the Iron Cap deposit.

To date, work on the KSM Project and the Courageous Lake Project has been funded in part by the sale of, or the optioning of, non-core assets, consistent with the Issuer's strategy of limiting share dilution. The Issuer has sold the Noche Buena Project and its early-stage Nevada properties and entered into option agreements in respect of each of the Grassy Mountain, Red Mountain, Quartz Mountain, Castle Black Rock, Four Mile Basin and Liberty Springs projects under which the respective optionees may acquire a 100% interest in such properties. The Grassy Mountain project was sold in February, 2013 upon exercise of the option to acquire a 100% interest in the Grassy Mountain property granted by the Issuer in 2011. In June, 2014 the option agreements in respect of the Four Mile Basin and Liberty Springs Projects were terminated. In June 2015, the option agreement in respect of the Castle Black Rock Project was terminated.

Seabridge intends to seek a sale or joint venture of its two core assets, the KSM Project and the Courageous Lake Project, or a sale of the Issuer, while the current phase of finding and delineating higher grade zones to improve the economics of these projects and additional de-risking of these projects is being advanced. One of the goals of the search for high grade core zones at the KSM Project was to change its economic profile. Before finding the Deep Kerr deposit, KSM was a gold project with a robust copper credit that would appeal primarily to gold miners as prospective partners. Now, KSM has a much stronger copper profile which opens up the potential for a joint venture with a large base metal producer. Realizing value for the Issuer's shareholders will depend on the potential financial return for a prospective purchaser or partner, successfully addressing regulatory and aboriginal concerns as well as market conditions at the time, especially gold and copper prices. The timing of sales or partnership agreements, if any, cannot be determined at this juncture.

The continuing success of the Issuer is dependent on (1) the Issuer being able to raise capital as needed (2) strength in the price of gold and copper (3) exploration success on projects it is exploring on its own account and/or (4) advancing its projects through regulatory reviews and permitting.

## Three Year History

During the three most recently completed financial years, the Issuer has principally focused its exploration and development efforts on its core project, KSM in British Columbia. Limited work took place at Courageous Lake in the Northwest Territories in 2013 and minimal work was undertaken at Courageous Lake in 2014 and 2015.

After the Issuer completed an updated Preliminary Feasibility Study for the KSM Project in June 2012, it moved from work primarily designed to upgrade known resources at KSM to work primarily focused on finding the high-grade core(s) of the KSM deposits. This exploration concept was based on data assembled over many years of temperature and pressure variances, geochemical markers and deep penetrating geophysical surveys to vector from known mineralization towards a possible high-grade core. The drilling results in 2012 suggested that Seabridge might have found the upper portion of a core zone below the known Kerr deposit.

After the Issuer completed a Preliminary Feasibility Study in September 2012 on its Courageous Lake Project, the Issuer's exploration program at Courageous Lake was, in part, dedicated to the discovery of one or more gold deposits along Seabridge's 52-kilometer-long Matthews Lake Greenstone Belt. A discovery was made at the Walsh Lake that is on strike with deposits exploited in the Tundra Mine. It is about 10 km south of the FAT deposit and currently has a strike length of 850 meters but remains open to the north and at depth.

The principal strategic objective for the Issuer's exploration program at KSM in 2013 was a core zone discovery with significant copper grades in the hope of expanding the universe of prospective operating partners for KSM to include base metal producers. There are not many gold companies able to build a project as large as KSM but there are many more base metal producers with the capacity and experience needed for the task. The Issuer completed 23,802 meters of drilling at the Deep Kerr deposit and confirmed it as a high-grade copper/gold core zone. The drilling at Deep Kerr in 2012 and 2013 led to an initial inferred resource estimate at Deep Kerr as of February, 2014.

The 2014 exploration program at the KSM Project was focused principally on extending the Deep Kerr resource and also expanding the Issuer's understanding of its limits and controls. Another focus was following up on a potential second core zone discovery below the Iron Cap zone and to test other core zone targets. In September, 2014, the Issuer announced a discovery of a major gold-copper occurrence below the Iron Cap zone at higher grades than the Iron Cap reserve and the intensification of drilling of the occurrence in an effort to be able to generate a resource estimate for the zone. In March, 2015 the Issuer announced an updated inferred resource estimates for Deep Kerr and the Iron Cap Lower zone. At Deep Kerr, 2014 drilling has extended the deposit to the north and demonstrated the deposit remains open to the south and at depth. On March 25, 2015 the Issuer announced its first resource estimate for the Iron Cap Lower Zone.

In 2015 the Issuer continued with its core zone exploration program, with a focus on drilling to confirm the continuity of the mineralized zone below the inferred resources at Deep Kerr and to drill test the plunge projection of the higher grade central zone of the Mitchell deposit. Drilling at the Mitchell deposit yielded an intercept of 174 m averaging 0.55 g/T gold and 0.28% copper more than 200 m to the southwest of another intercept of 167 m averaging 0.81 g/T gold and 0.25% copper, which appear to evidence an extension of the Mitchell central zone. The Issuer decided that evidence of faulting in these holes needed to be analyzed before further drilling is undertaken. Drilling at Deep Kerr in 2015 confirmed a major extension of the deposit. On March 8, 2016, the Issuer announced a new inferred resource estimate at Deep Kerr, which incorporates the results of 2015 exploration work.

The Issuer believes the Deep Kerr discovery has expanded the economic profile of the KSM Project such that it remains a gold project with a robust copper credit but it is now equally a project with copper potential above the threshold required to attract a large base metal producer as a partner. Substantial additional drilling and advanced engineering analysis will be required before it is possible to evaluate whether or not Kerr and Deep Kerr can be combined into a single underground operation and, accordingly, the inferred resource should be viewed as being a stand-alone occurrence, separate from the KSM Project's reserves. The inferred resource is not comparable to the KSM Project's reserves, which have undergone detailed pre-feasibility level analysis.

In the first quarter of 2013 the KSM Project also achieved another significant milestone in its development with the filing of its provincial Application for an Environmental Assessment certificate ("EA Application") and its federal Environmental Impact Statement ("EIS"). The KSM Project followed a joint environmental assessment process as mandated by the Canadian *Environmental Assessment Act* and the British Columbia *Environmental Assessmen Act*. The EA Application/EIS was accepted into formal review under the British Columbia *Environmental Assessment Act* in June, 2013 and the public comment period concluded in October, 2013. General support of the proposed KSM mine development has been evidenced by the letters of support that were received from the Mayors and Councils representing the Towns of Terrace and Smithers, BC, respectively, in the fall of 2013 and submitted to the regulators. The provincial EA Application was approved in July, 2014 and the federal EIS was approved in December, 2014. In 2015 work in respect of complying with conditions under the approvals of its EA Application and its EIS began, including the completion of a pilot evaluation of a new process for the removal of selenium from waters from the KSM Project. The pilot plant test confirmed the technical feasibility of the treatment technology, reducing selenium concentrations in the test effluent to 1 ppb.

In conjunction with advancing the EA Application and EIS , the Issuer has been working to build its relationships with the Nis ga'a Nation and other First Nations, including pursuing impacts and benefits agreements with potentially impacted aboriginal groups. In August, 2013, the Issuer and the Nis ga'a Nation reached agreement in principle on material components of a benefits agreement in respect of the KSM Project and a formal Benefits Agreement was signed in June, 2014. In September, 2013, the Gitxsan Treaty Society, representing the Gitxsan Hereditary Chiefs, delivered a letter to regulators expressing its support of Seabridge Gold's KSM Project. In June, 2014 the Issuer announced it had reached an agreement with the Gitanyow Hereditary Chiefs Office and the *wilps* represented by Gitanyow Hereditary Chiefs Office. Work to maintain and improve these relationships, as well as relationships with the other aboriginal groups in the area is ongoing.

In September, 2014, the Company received early-stage construction permits for its KSM Project from the Province of British Columbia. The permits issued include: (1) authority to construct and use roadways along Coulter Creek and Treaty Creek; (2) rights-of-way for the proposed Mitchell-Treaty tunnels connecting project facilities; (3) permits for constructing and operating numerous camps required to support constructions activities; and (4) permits authorizing early-stage construction activities at the mine site and tailings management facility.

Exploration at Courageous Lake in 2013 focused on infill drilling to confirm the geological model of the Walsh Lake discovery in 2012 and to allow the definition of a resource. The Issuer completed 29 diamond drill holes totaling 8,278 meters in 2013. It also undertook metallurgical testing which indicates the gold at Walsh Lake can be recovered by direct cyanide extraction. A resource estimate of the Walsh Lake deposit was announced in March, 2014. In 2014 and 2015 the Issuer did very limited exploration work at Courageous Lake.

In early 2008, due to the success at both its KSM and Courageous Lake Projects, the Issuer announced that it would look to sell or joint venture its other projects while continuing to advance its two core projects. In 2011, the Issuer continued advancing the sale of non-core assets, having concluded option agreements on its Quartz Mountain and Grassy Mountain projects. In 2012, the success continued with the Issuer concluding an option on its Red Mountain Project and, in connection with the sale of its early stage properties in Nevada, concluding options on each of its Castle Black Rock, Four Mile Basin and Liberty Springs projects. In early 2013, the Grassy Mountain option was exercised and a 100% ownership interest in the property was transferred to the optionee, subject to a 10% net profits interest retained by the Issuer which the Issuer has a right to sell to the optionee for US$10,000,000 after delivery of a bankable feasibility study. In 2013, the Issuer received $2 million in cash as well as securities with a value of $2.2 million, for a total of $4.2 million in respect of its non-core properties. In January, 2014, the optionee of the Red Mountain Project terminated the option agreement before earning any interest in the property. In April, 2014 the Issuer concluded a new option for a 100% interest in the Red Mountain Project and, to the date of this AIF, the Issuer has received $2 million in cash and securities with a value of $1.5 million towards the exercise of the option. In June, 2014, the optionee of the Four Mile Basin and Liberty Springs projects terminated the option agreements in respect of those projects. In June 2015, the option agreement in respect of the Castle Black Rock Project was terminated.

At the date of this AIF, over 90% of the mineral resources at all of its projects combined are at the KSM Project and the Courageous Lake Project and the Issuer considers that its present market value principally relates to just these two projects. As a result, its present and future exploration and development activities will be almost exclusively focused on advancing these two projects.

## ITEM 3: DESCRIPTION OF THE ISSUER'S BUSINESS

### General

The Issuer owns five properties with gold resources and its material properties are its KSM Project and its Courageous Lake Project. The Issuer holds a 100% interest in each of its properties, however, each of the Quartz Mountain and Red Mountain projects are subject to option agreements under which the optionee may acquire a 100% interest in such project. At the date of this AIF, the estimated gold resources at the Issuer's properties are set forth in the following table and are broken down by project and resource category.

**Mineral Resources (Gold and Copper)**

| PROJECT | Cut-Off Grade (g/T) | Measured | | | | | Indicated | | | | | Inferred | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Tonnes (000's) | Gold Grade (g/T) | Gold (000's ozs) | Copper Grade (%) | Copper (million lbs) | Tonnes (000's) | Gold Grade (g/T) | Gold (000's ozs) | Copper Grade (%) | Copper (million lbs) | Tonnes (000's) | Gold Grade (g/T) | Gold (000's ozs) | Copper Grade (%) | Copper (million lbs) |
| **KSM** | | | | | | | | | | | | | | | | |
| Mitchell | 0.50[1] | 724,000 | 0.65 | 15,130 | 0.18 | 2,872 | 1,052,900 | 0.58 | 19,634 | 0.16 | 3,713 | 567,800 | 0.44 | 8,032 | 0.14 | 1,752 |
| Iron Cap | 0.50[1] | -- | -- | -- | -- | -- | 361,700 | 0.44 | 5,117 | 0.21 | 1,674 | 297,300 | 0.36 | 3,441 | 0.20 | 1,310 |
| Sulphurets | 0.50[1] | -- | -- | -- | -- | -- | 370,900 | 0.59 | 7,036 | 0.21 | 1,717 | 177,100 | 0.50 | 2,847 | 0.15 | 585 |
| Kerr | 0.50[1] | -- | -- | -- | -- | -- | 270,400 | 0.24 | 2,086 | 0.46 | 2,741 | 85,000 | 0.24 | 656 | 0.28 | 525 |
| **KSM Total[2]** | -- | 724,000 | 0.65 | 15,130 | 0.18 | 2,872 | 2,055,900 | 0.51 | 33,873 | 0.22 | 9,845 | 1,127,200 | 0.41 | 14,976 | 0.17 | 4,172 |
| **Deep Kerr[2]** | C$24 NSR[1] | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 1,008,200 | 0.35 | 11,345 | 0.53 | 11,777 |
| **Iron Cap Lower Zone[2]** | US$20 NSR[1] | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 163,813 | 0.59 | 3,124 | 0.27 | 961 |
| **Courageous Lake**:<br>Fat Deposit[2]<br>Walsh Lake[2] | <br>0.83<br>0.60 | <br>13,401<br>-- | <br>2.53<br>-- | <br>1,090<br>-- | <br>--<br>-- | <br>--<br>-- | <br>93,914<br>-- | <br>2.28<br>-- | <br>6,884<br>-- | <br>--<br>-- | <br>--<br>-- | <br>48,963<br>4,624 | <br>2.18<br>3.24 | <br>3,432<br>482 | <br>--<br>-- | <br>--<br>-- |
| **Quartz Mountain[3]** | 0.34 | 3,480 | 0.98 | 110 | -- | -- | 54,330 | 0.91 | 1,591 | -- | -- | 44,800 | 0.72 | 1,043 | -- | -- |
| **Red Mountain[3]** | 1.00 | 1,260 | 8.01 | 324 | -- | -- | 340 | 7.041 | 76 | -- | -- | 2,079 | 3.71 | 248 | -- | -- |
| **Castle/ Black Rock** | 0.25 | 4,120 | 0.57 | 75 | -- | -- | 8,260 | 0.53 | 140 | -- | -- | 7,950 | 0.37 | 93 | -- | -- |

Note: The resource estimates have been prepared in accordance with NI 43-101. See "Cautionary Note to United States Investors Regarding Resource Estimates" in the Preliminary Notes.

1. The cut-off grade for KSM is stated in amount of gold equivalent which takes into consideration the presence of copper which contributes to project economics. The cut-off grade for Deep Kerr is stated as a Canadian dollar value in net smelter return (NSR). The cut-off grade for the Iron Cap Lower Zone is stated as a US dollar value in NSR.
2. The effective dates of the KSM and Courageous Lake resource estimates above are as follows: KSM, June 2012; Deep Kerr, March 2016; Iron Cap Lower Zone, March 2015; Courageous Lake (Fat), September 2012; and Courageous Lake (Walsh Lake), March, 2014.
3. Seabridge has entered into option agreements under which a 100% interest in each of the Quartz Mountain and Red Mountain projects may be acquired.

The measured and indicated mineral resources at the KSM Project and Courageous Lake Project are inclusive of mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

This AIF contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws concerning future events or future performance with respect to the Issuer's projects, business approach and plans, including production, capital, operating and cash flow estimates; business transactions such as the potential sale or joint venture of the Issuer's KSM Project and Courageous Lake Project (each as defined herein) and the acquisition of interests in mineral properties; requirements for additional capital; the estimation of mineral resources and reserves; and the timing of completion and success of exploration and development activities, community relations, required regulatory and third party consents, permitting and related programs in relation to the KSM Project and Courageous Lake Project. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "believes", "plans", "projects", "estimates", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements and forward-looking information (collectively referred to in the following information simply as "forward-looking statements"). In addition, statements concerning mineral reserve and mineral resource estimates constitute forward-looking statements to the extent that they involve estimates of the mineralization expected to be encountered if a mineral property is developed and the economics of developing a property and producing minerals.

Forward-looking statements are necessarily based on estimates and assumptions made by the Issuer in light of its experience and perception of historical trends, current conditions and expected future developments. In making the forward-looking statements in this AIF the Issuer has applied several material assumptions including, but not limited to, the assumption that: (1) market fundamentals will result in sustained demand and prices for gold and copper, and to a much lesser degree, silver and molybdenum; (2) the potential for production at its mineral projects will continue operationally, legally and economically; (3) any additional financing needed will be available on reasonable terms; and (4) estimated reserves and resources at the Issuer's projects have merit and there is continuity of mineralization as reflected in such estimates.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- the Issuer's history of losses and negative cash flows from operations and expectation of future losses and negative cash flows from operations;
- risks related to the Issuer's ability to finance its exploration activities and future development activities through joint ventures, the sale of property interests or obtaining suitable financing;
- uncertainty of whether the reserves estimated on the Issuer's mineral properties will be brought into production;
- uncertainties relating to the assumptions underlying the Issuer's reserve and resource estimates;
- uncertainty of estimates of capital costs, operating costs, production and economic returns;
- risks related to commercially producing precious metals from the Issuer's mineral properties;
- risks related to fluctuations in the market price of gold, copper and other metals;

- risks related to fluctuations in foreign exchange rates;
- mining, exploration and development risks that could result in damage to mineral properties, plant and equipment, personal injury, environmental damage and delays in mining, which may be uninsurable;
- risks related to obtaining all necessary permits and governmental approvals for exploration and development activities, including in respect of environmental regulation;
- uncertainty related to title to the Issuer's mineral properties and rights of access over or through lands subject to third party rights, interests and mineral tenures;
- risks related to unsettled First Nations rights and title and settled Treaty Nations' rights;
- risks related to increases in demand for exploration, development and construction services equipment, and related cost increases;
- increased competition in the mining industry;
- the Issuer's need to attract and retain qualified management and personnel;
- risks related to some of the Issuer's directors' and officers' involvement with other natural resource companies; and
- the Issuer's potential classification as a "passive foreign investment company" under the United States tax code.

This list is not exhaustive of the factors that may affect any of the Issuer's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Issuer or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading "*Risk Factors*" and elsewhere in this AIF. In addition, although the Issuer has attempted to identify important factors that could cause actual achievements, events or conditions to differ materially from those identified in the forward-looking statements, there may be other factors that cause achievements, events or conditions not to be as anticipated, estimated or intended. Many of the foregoing factors are beyond the Issuer's ability to control or predict. It is also noted that while Seabridge engages in exploration and development of its properties, it will not undertake production activities by itself.

These forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and the Issuer does not assume any obligation to update forward-looking statements, except as required by applicable securities laws, if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.



**Overview**

The KSM Project is located within the Iskut-Stikine region of British Columbia, approximately 21 kilometers south-southeast of the former Eskay Creek Mine and approximately 68 kilometers northwest of Stewart, British Columbia. (See Figure 1.) The provincial government has recognized the significance of historical mining activity in this area, which includes the past producing Eskay Creek, Snip, Granduc, and Premier mines.

Access to the property is by helicopter from Bell II Crossing on the Stewart Cassiar Highway or Stewart, British Columbia. Mobilization of equipment and personnel is staged from the Bob Quinn airstrip and from Bell II Crossing on the Stewart Cassiar Highway.

**Figure 1 - KSM Project Location Map**




At the time the Issuer acquired the KSM Project in 2001, the project consisted of two distinct zones (Kerr and Sulphurets) which had been modeled separately by Placer Dome (CLA) Limited ("**Placer Dome**"). Subsequent drilling and engineering work by the Issuer has defined two new zones, the very large Mitchell Zone and the Iron Cap Lower Zone as well as a large zone beneath the Kerr zone (Deep Kerr).

From 2008 to 2011 Seabridge focused on further exploration and development of the four known deposits at the KSM Project and generated successive resource estimates and three preliminary feasibility studies, the most recent preliminary feasibility study being the 2012 KSM PFS Report (as defined herein) with an effective date of June 22, 2012. In 2012 Seabridge continued development efforts, including work required for the submission of its EIS/EA Application, but changed its exploration focus at KSM to a search for higher temperature core zones that typically concentrate high-grade metals within very large porphyry systems such as KSM. Exploration in 2012, 2013 and 2014 has resulted in the discovery of one core zone, Deep Kerr, a new zone below the Iron Cap deposit, Iron Cap Lower Zone (that could still have a core zone below it), an extension of the Mitchell zone and other promising core targets. (See "*Core Zone Exploration*") In the course of this work in 2012 the Issuer also discovered an epithermal deposit named the Camp Zone.

After completing drilling in 2015 the drill hole database for the KSM Project now includes 656 drill holes totaling approximately 242,001 meters. More than 95% of the holes at Mitchell and 95% of the holes at Iron Cap were drilled by Seabridge between 2006 and 2015 .

In July, 2014, the Issuer's provincial EA Application for the KSM Project under the British Columbia *Environmental Assessment Act* was approved. The Canadian Environmental Assessment Agency (CEAA) issued its Comprehensive Study Report in July 2014, as required by the *Canadian Environmental Assessment Act*, which concluded that the KSM Project would not have significant impacts to the environment, including the environment situated downstream at the Alaska border. In December 2014 the Federal Minister of the Environment issued a positive project decision which endorsed the conclusions of the Comprehensive Study Report. The Issuer believes that the EA Application/EIS materials demonstrate that the KSM project, as designed, is environmentally responsible.

**Land Status**

The KSM property is comprised of three discontinuous claim blocks (see Figure 2). These claim blocks are referred to as:

1. the KSM claim group;
2. the Seabee/Tina claims; and
3. the KSM placer claim block.

The first two claim blocks (KSM and Seabee/Tina) contain two mineral leases and 71 mineral claims, consisting of both cell and legacy claims. The total area of the first two claim blocks is 50,500 hectares. The Seabee/Tina claim block is about 19 km northeast of the KSM claim group. The KSM claim group includes:

(a) 1 mineral lease (previously 30 contiguous mineral cell claims) covering an area of 6,085 hectares within which the mineral deposits lie;

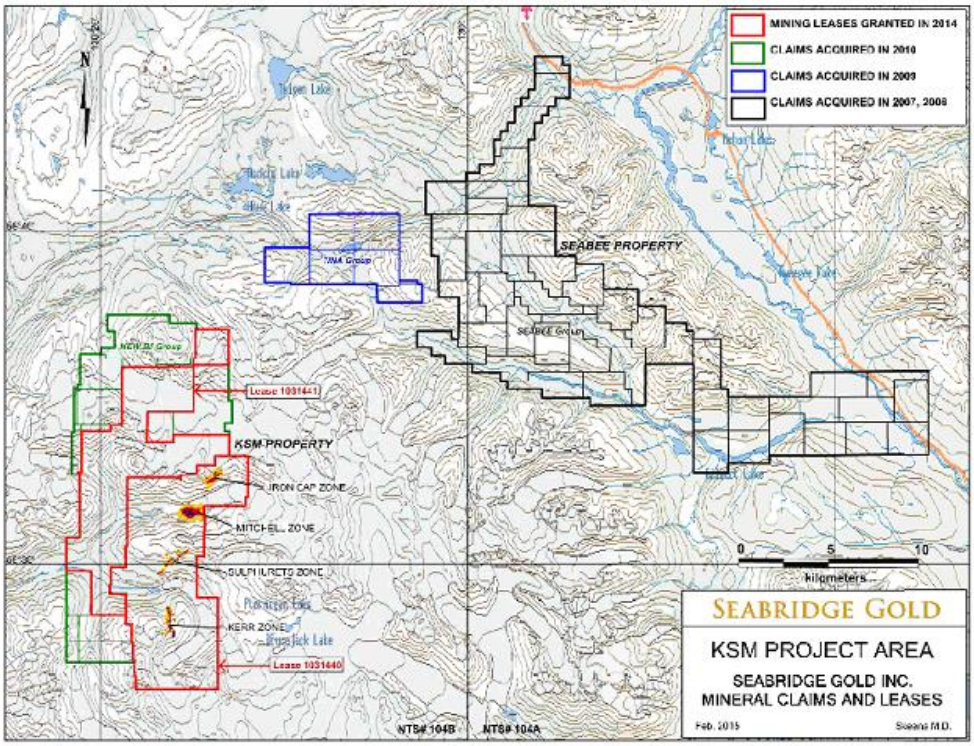
(b) 1 mineral lease (previously 16 mineral legacy "BJ" claims) covering approximately 5,162 hectares within which certain infrastructure for the proposed mining operation would lie;

(c) 18 mineral legacy "New BJ" claims covering approximately 6,026.2 hectares that are adjacent to the "BJ" claims described in paragraph (b).

The Seabee/Tina claims include 47 mineral cell claims (Seabee Property) and six mineral legacy claims (Tina Property), covering approximately 21,478 hectares, that are located about 19 kilometers northeast of the KSM property where certain of the KSM Project's proposed processing plants and tailings storage would be located.

The KSM placer claims include 44 placer cell claims covering an area of 11,749 hectares which are coincident in land area with most of the mineral cell claims within the KSM claim group.

**Figure 2 - KSM Project Claim Map**




These claims are 100% owned by the Issuer. Barrick Gold Corporation retains a 1% NSR Royalty that is capped at $4.5 million. Two of the pre-converted claims at the Sulphurets property (Xray 2 and 6) are also subject to an effective 1% NSR capped at US$650,000. The two groups of BJ legacy claims are subject to royalties, however, none of the mineral deposits at the KSM Project lie within the BJ legacy claims. In addition, the Issuer has granted two options to a subsidiary of Royal Gold, Inc. under which such subsidiary can acquire a 1.25% NSR Royalty and a 0.75% NSR Royalty in gold and silver produced from the KSM Property for $100 million and $60 million, respectively, subject to certain conditions. Under the Benefits Agreement with the Nisga'a Nation, the Company has agreed to pay the Nisga'a Nation annual payments equal to a percentage of the tax payable under the *Mineral Tax Act* (British Columbia), which is a tax on net profits. Effectively, 0.1% of net operating profits is payable while capital is being recovered and, once capital is recovered, 1.43% of net profits is payable to the Nisga'a Nation, as determined under the provisions of the *Mineral Tax Act*.

The property is located on Crown land; therefore, all surface and access rights are granted under, and subject to, the *Land Act* (British Columbia) and the *Mineral Tenure Act* (British Columbia). Approximately 13 km of the proposed 23 km Mitchell-Treaty tunnels (the "MTT") pass under Crown Land subject to mineral claims held by third parties. The Issuer has been granted a licence of occupation, a form of land tenure that grants it rights to occupy the area through which the proposed MTT will pass, subject to the rights of the third party mineral claims holders. In the Issuer's opinion, these rights are addressed by the Issuer's obligation to segregate and deliver to such claims holders all earth and rock material removed from the third party claims during construction of the MTT. Certain lands which the Issuer proposes to use for infrastructure are subject to placer claims held by third parties, parts of which could be adversely affected by the proposed KSM Project.

The four gold-copper deposits, and the proposed waste rock storage areas, lie within the Unuk River drainage in the area covered by the Cassiar-Iskut-Stikine Land and Resource Management Plan approved by the British Columbia Government in 2000. A part of the proposed ore transport tunnel lies within the boundaries of the South Nass Sustainable Resource Management Plan that is currently in development. The proposed sites for the tailing management and plant facilities lie outside of the boundaries of any land-use planning process.

**Relationships with Aboriginal Groups in KSM Region**

The KSM Project site is located in a region historically used by several aboriginal groups. Part of the Project, including the proposed plant and tailings management facility ("TMF") but excluding the mineral deposits and their immediately-related infrastructure, lies within the boundaries of the Nass Area, as defined in the Nisga'a Final Agreement. In this area, consultation, led by the federal and provincial governments, is required with the Nisga'a Lisims Government under the terms of the Final Agreement. The Tahltan First Nation has asserted rights and title over part of the area underlying the KSM Project footprint but excluding the mineral deposits. Tsetsaut Skii km Lax Ha, an aboriginal group asserting independent nation status which the Issuer understands is viewed by the Crown as being a wilp of the Gitxsan Nation, assert aboriginal rights and title over the entire KSM Project footprint. Accordingly, the Company has been directed to engage with the Tahltan First Nation and with the Tsetsaut Ski km Lax Ha as a wilp of the Gitxsan Nation on the basis of potential effects downstream of the plant site and TMF. Additionally, the Gitanyow Huwilp may have some interests within the broader region potentially affected by the KSM Project, particularly downstream of the plant site and TMF.

On June 16, 2014, the Company entered into a comprehensive Benefits Agreement with the Nisga'a Nation in respect of the KSM Project. The Benefits Agreement establishes a long-term co-operative relationship between Seabridge and the Nisga'a Nation under which the Nisga'a Nation will support development of the Project, participate in economic benefits from the Project and provide ongoing advice. Highlights of the Benefits Agreement include:

- Nisga'a Nation agreement to provide letters in support of the KSM Project to British Columbian and Canadian regulators, as well as potential investors in Seabridge or the Project.
- Financial payments upon the achievement of certain Project milestones and annual production payments based on a percentage of net profits, with the net profits payable normalizing after the Project has recovered its capital costs, as determined under the terms of the Agreement.
- Strong commitments to education and training of Nisga'a citizens so that they will be better able to take advantage of the economic benefits the KSM Project offers.
- Mutual co-operation on completing the operational permitting process for the Project.

- A framework for the Nis ga'a Nation and Seabridge to work together to achieve employment targets and to ensure Nis ga'a businesses will hav preferred access to contracting opportunities.
- Mutual co-operation on responding to social impacts which Nis ga'a Villages may experience as a result of the Project.

The Agreement with the Nis ga'a Nation will remain in effect throughout the life of the KSM Project and will apply to future partners in the Project.

In June, 2014, the Company entered into an agreement with the Gitanyow Huwilp in respect of the KSM Project. Under the agreement, Seabridge agrees to provide funding for certain programs relating to wildlife, fish and water quality monitoring to address some of the concerns raised by the Gitanyow Huwilp, as well as for a committee to establish a means of maintaining communications about KSM Project related issues.

In September, 2013, the Gitxsan Hereditary Chiefs Office provided a letter to British Columbia and federal regulators expressing support for the KSM Project. The Company has engaged directly with the Tsetsaut Skii km Lax Ha with respect to the KSM Project and it is making efforts to establish a good relationship with the Taetsaut Skii km Lax Ha.

The Tahltan Nation were active participants in the EA Application and EIS review processes and have met with Seabridge many times regarding the KSM Project. Seabridge has made numerous commitments to address issues raised by the Tahltan Nation arising from this process and believes that it has a good relationship with the Tahltan Nation.

The Company believes that, after considering:

- the location of the KSM Project in relation to areas of treaty rights and asserted aboriginal rights and title,
- the consultation the Company and the governments have undertaken with aboriginal groups,
- the agreements the Company has negotiated with aboriginal groups, and
- the information the Company has learned about historic aboriginal use of the area on which KSM Project infrastructure is located,

the Supreme Court of Canada decision of June 26, 2014 in *Tsilhqot'in Nation v. British Columbia* is unlikely to significantly impact the KSM Project.

**Updated and Revised 2012 Preliminary Feasibility Study at the KSM Project**

In June 2011, an updated Preliminary Feasibility Study for the KSM Project was completed. The details of the proposed mine development in this Preliminary Feasibility Study were subject to further study and review by the Issuer's team of consultants and also by regulators and aboriginal groups impacted by the KSM project. This work led to design changes and other enhancements to the proposed mine development, which were incorporated into an updated Preliminary Feasibility Study for the KSM Project, prepared by a group of consultants, all of whom are independent of Seabridge. The updated KSM Preliminary Feasibility Study is entitled "2012 KSM (Kerr-Sulphurets-Mitchell) Prefeasibility Study" (the "**2012 KSM PFS Report**") and is available on SEDAR at www.sedar.com. The 2012 KSM PFS Report has an effective date of June 22, 2012 but was amended and reissued on November 11, 2014 to restate the economic analysis therein on an after-tax basis and to include a summary of the details of the technical report dated March 31, 2014 entitled "NI 43-101 Technical Report on Initial Deep Kerr Resource, British Columbia, Canada" (the "**2014 Deep Kerr Report**") prepared by Resource Modeling Inc. ("**RMI**"). The overall 2012 KSM PFS Report was coordinated by Tetra Tech Inc. (" **Tetra Tech**"). The consultants and their responsibilities are as follows:

- Tetra Tech, under the direction of John Huang (metallurgical testing review, mineral processing and process operating cost and overall report preparation), Hassan Ghaffari (site infrastructure layouts, tunnel conveyor, rope conveyor, tailing delivery, reclaim pumping and piping systems, and associated capital costs) and Sabry Abdel Hafez (financial analysis)
- Moose Mountain Technical Services under the direction of Jim Gray (open pit mining operations, mine capital and mine operating costs)
- W.N. Brazier Associates Inc. under the direction of W.N. Brazier (power supply, energy recovery plants and associated costs)
- ERM Consultants Canada Ltd. under the direction of Pierre Pelletier (environment and permitting)
- Klohn Crippen Berger Ltd. under the direction of Graham Parkinson (water diversion and seepage collection ponds, tailings dam, water treatment dam and related capital, operating and closure costs)
- Allnorth Consultants Ltd. under the direction of Mr. Darby Kreitz (storage dam and tailings starter dam construction cost estimates)
- RMI under the direction of Michael Lechner (mineral resources)
- McElhanney Consulting Services Ltd. under the direction of Robert Parolin (main and temporary access roads and associated costs)
- BGC Engineering Inc. under the direction of Warren Newcomen (rock mechanics and mining pit slopes)
- Tetra Tech EBA Inc. (EBA) under the direction of Kevin Jones (winter access roads and associated costs)
- Golder Associates Ltd. under the direction of Ross Hammett (block caving assessments and associated costs)
- Stantec Consulting Ltd. under the direction of Tony Wachmann (tunnel design, construction procedures and costs)

The following (to "*Environmental Assessment Application/Environmental Impact Statement*") summarizes information from the 2012 KSM PFS Report, except that the resource estimates therein for the Deep Kerr deposit have been omitted since they have been superseded by more current resource estimates.

***Location and Climate***

The KSM Project is situated about 950 km northwest of Vancouver, 68 km by air north-northwest of Stewart, BC and 21 km south-southeast of the former Eskay Creek Mine. The property is located at latitude 56º52' North and longitude 130.25º West (see Figure 1).

The proposed pit areas lie within the headwaters of Sulphurets Creek, which is a tributary of the Unuk River. The proposed TMF will be located within the tributaries of Teigen and Treaty creeks. Teigen and Treaty creeks are tributaries of the Bell-Irving River, which is itself a major tributary of the Nass River. Both the Nass and Unuk rivers flow to the Pacific Ocean.

The climate is generally typical of a temperate or northern coastal rainforest, with sub-arctic conditions at high elevations. Precipitation is high, being estimated to range from about 1,614 to 1,652 mm and 1,083 to 1,371 mm per year in the mine and process plant areas, respectively, depending upon elevation. The majority of precipitation is received in the fall and winter from September through to February. The length of the snow-free season varies from about May through November at lower elevations, and from July through September at higher elevations. Snowfalls and strong winds can be expected from early-October until mid-April with temperatures varying widely between 0º and -40ºC. Snowpack ranges from one to two meters but high winds can create snowdrifts up to 10 meters.

***Local Resources, Infrastructure and Physiography***

The KSM property lies in the rugged Coastal Mountains of northwest British Columbia, with elevations ranging from 520 meters in Sulphurets Creek valley to over 2,300 meters at the highest peaks. Valley glaciers fill the upper portions of the larger valleys from just below tree line and upwards.

There are deep-water loading facilities for shipping bulk mineral concentrate located in Stewart. The facilities are currently used by the Huckleberry mine. The nearest railway is the Canadian National Railroad (CNR) Yellowhead route, which is located approximately 220 km southeast of the property. This line runs east-west, and can deliver concentrate to deep water ports near Prince Rupert and Vancouver, BC.

There are no settlements or privately owned land in the area; there is limited commercial recreational activity in the form of helicopter skiing, rafting tours and guided fishing adventures. At present, the closest power transmission lines run along the Highway 37A corridor to Stewart, approximately 50 km southeast of the property. However, electric service for the KSM Project will be from BC Hydro's Northwest Transmission Line (known as the NTL) that is currently under construction with a scheduled completion in the spring of 2014.

Stewart, a town of approximately 500 inhabitants, is the closest population center to the KSM Project. It is connected to the provincial highway system via paved, all weather Highway 37A. The larger population centers of Prince Rupert, Terrace, and Smithers, with a total population of about 32,000, are located approximately 270 km to the southeast.

***Exploration History***

There is evidence that prospectors were active in the area prior to 1935. The modern exploration history of the area began in the 1960's, with brief programs conducted by Newmont Mining Corp., Granduc Mines Ltd., Phelps Dodge Corp., and the Meridian Syndicate. All of these programs were focused towards gold exploration. The Sulphurets Zone was first drilled by Esso Minerals in 1969; Kerr was first drilled by Brinco in 1985 and Mitchell Creek by Newhawk Gold in 1991.

There is no recorded mineral production, nor evidence of it, from the property. Immediately west of the property, historical small-scale placer gold mining has occurred in Sulphurets and Mitchell Creeks. On the Bruceside property immediately to the east and currently owned by Pretium Resources Inc. (now named the Brucejack property), limited underground development and test mining was undertaken in the 1990's on narrow, gold-silver bearing quartz veins at the West Zone.

During 2003-2005, under its option to earn up to a 65% interest in the project from Seabridge, Falconbridge conducted geophysics, surface mapping, surface sampling and completed approximately 4,100 m of drilling at the project.

Since 2006, Seabridge has been conducting exploration and development activities at the project.

***Geology***

The region lies within “Stikinia”, a terrane of Triassic and Jurassic volcanic arcs that were accreted onto the Paleozoic basement of the North American continental margin in the Middle Jurassic. Stikinia is the largest of several fault bounded, allochthonous terranes within the Intermontane belt, which lies between the post-accretionary, Tertiary intrusives of the Coast belt and continental margin sedimentary prisms of the Foreland (Rocky Mountain) belt. In the Kerr-Sulphurets area, Stikinia is dominated by variably deformed, oceanic island arc complexes of the Triassic Stuhini and Jurassic Hazelton groups. An extensive basin formed eastward of the property in the Late Jurassic and Cretaceous that filled with thick accumulations of clastic sedimentary rocks of the Bowser Group. Folding and thrusting due to compressional tectonics in the late Cretaceous generated the area’s current structural features. Remnants of Quaternary basaltic eruptions occur throughout the region.

Early Jurassic sub-volcanic intrusive complexes are common in the Stikinia terrane, and several host well-known precious and base metal rich hydrothermal systems. These include copper-gold porphyry deposits such as Galore Creek, Red Chris, Kemess, Mt. Milligan, and Kerr-Sulphurets. In addition, there are a number of related polymetallic deposits including skarns at Premier, epithermal veins and subaqueous vein and replacement sulfide deposits at Eskay Creek, Snip, Bruceside, and Granduc.

The Kerr deposit is a strongly-deformed copper-gold porphyry, where copper and gold grades have been upgraded due to remobilization of metals during later and/or possibly syn-intrusive deformation. Alteration is the result of a relatively shallow, long lived hydrothermal system generated by intrusion of monzonite. Subsequent deformation along the Sulphurets Thrust Fault (STF) was diverted into the Kerr area along pre-existing structures. The mineralized area forms a fairly continuous, northsouth trending west dipping irregular body measuring about 1,700 m long and up to 200 m thick.

The Kerr mineralized zone is characterized by finely disseminated, fracture and veinlet controlled chalcopyrite with minor bornite and tennanite associated with an early Jurassic porphyritic monzonite that was intruded into Triassic sedimentary and volcanic rocks. Extensive and intensive hydrothermal alteration of the intrusive rocks and surrounding rocks produced a north-south trending zone of sericite-quartz-pyrite rocks. This hydrothermal alteration trend defines the limits of the copper-gold mineral system. Block gold, copper, and silver grades were estimated using inverse distance and nearest neighbour methods.

The Sulphurets deposit is comprised of two distinct zones referred to as the Raewyn Copper-Gold Zone and the Breccia Gold Zone. The Raewyn Copper-Gold Zone hosts mostly porphyry style disseminated chalcopyrite and associated gold mineralization in moderately quartz stockworked, chlorite-biotite-sericite-magnetite altered volcanics. Hydrothermal alteration in these rocks is characterized by sericite-pyrite-quartz introduction associated with stockwork veins. Gold and copper are concentrated in the stockwork veins and disseminated in the wallrock. The Raewyn Copper-Gold Zone strikes northeasterly and dips about 45° to the northwest. The Breccia Gold Zone hosts mostly gold-bearing pyritic material mineralization with minor chalcopyrite and sulfosalts in a K-feldsparsiliceous hydrothermal breccia that apparently crosscuts the Raewyn Copper-Gold Zone. The Breccia Gold Zone strikes northerly and dips westerly.

The Mitchell Zone is underlain by foliated, schistose, intrusive, volcanic, and clastic rocks that are exposed in an erosional window below the shallow north dipping Mitchell Thrust Fault (MTF). These rocks tend to be intensely altered and characterized by abundant sericite and pyrite with numerous quartz stockwork veins and sheeted quartz veins (phyllic alteration) that are often deformed and flattened. Towards the west end of the zone, the extent and intensity of phyllic alteration diminishes and chlorite-magnetite alteration becomes more dominant along with lower contained metal grades. In the core of the zone, pyrite content ranges between 1 to 20%, averages 5%, and typically occurs as fine disseminations. Gold and copper tends to be relatively low-grade but is dispersed over a very large area and related to hydrothermal activity associated with Early Jurassic hypabyssal porphyritic intrusions. In general, within the currently drilled limits of the Mitchell Zone, gold and copper grades are remarkably consistent between drill holes, which is consistent with a large, stable, and long-lived hydrothermal system.

The Iron Cap Zone, which is located about 2,300 m northeast of the Mitchell Zone, is well exposed and consists of intensely altered intrusive, sedimentary, and volcanics. The Iron Cap deposit is a separate, distinct mineralized zone within the KSM district. It is thought to be related to the other mineralized zones but differs in that much of the host rock is hydrothermally altered intrusive (porphyritic monzonite to diorite) rather than altered volcanics and sediments. There is a high degree of silicification that overprints earlier potassic and chloritic alteration. Intense phyllic alteration and high density of stockwork veining, which are pervasive at the nearby Mitchell Zone, are less pervasive at Iron Cap. The surface expression of the Iron Cap Zone measures about 1,500 m (northeast-southwest) by 600 m (northwest-southeast).

The Kerr Zone has been delineated by 31,359 m of core drilling from 159 holes that are spaced between 50 to 100 m apart. The majority of the Kerr drilling data were collected by Placer Dome Inc. (Placer Dome) and previous operators. The Sulphurets Zone has been delineated by about 36,601 m of core drilling from 126 diamond core holes that are spaced at intervals ranging between 50 to 100 m. Seabridge (plus Falconbridge) collected about 76% of the total Sulphurets drilling; most of the remaining data were collected by Placer Dome. There were 154 diamond core holes used for the Mitchell block model that were spaced at approximately 75 to 100 m intervals, totalling 56,952 m of data. Gold, copper, silver, and molybdenum grades were estimated for the Iron Cap Zone using 52 diamond core holes totalling about 17,790 m of data.

***Security of Samples***

The Issuer follows an ongoing and rigorous sample preparation, security, quality control/quality assurance protocol for its exploration programs, including blank and reference standards in every batch of assays. Cross-check analyses are conducted at a second external laboratory on 10% of the samples. The details of these procedures are outlined in the 2012 KSM PFS Report.

***Mineral Resources***

RMI constructed 3D block models for the Kerr, Sulphurets, Mitchell, and Iron Cap Zones. Various 3D wireframes were used to constrain the estimate of block grades (e.g. lithology, alteration, structural, and grade envelopes). These wireframes were used by RMI in a multi-pass inverse distance grade interpolation plan. The estimated block grades were validated using visual and statistical methods. Based on those results, RMI believes that the grade models are globally unbiased and suitable for subsequent pit optimization studies. The estimated block grades were classified into Measured (Mitchell only), Indicated, and Inferred Mineral Resource categories based on mineralized continuity, along with distance to data in conjunction with the number of drill holes that were used to estimate block grades. The following table summarizes the estimated measured, indicated, and inferred mineral resources for each zone at a 0.50 g/t gold equivalent cut-off grade. A gold price of US$650/oz and a copper price of US$2.00/lb were used to calculate the AuEQ grade. Gold and copper recoveries of 70% and 85%, respectively, were also used to calculate gold equivalency using the following expression:

**AuEQ =**
**Au (g/t) + (Cu (%)* (((Cu price/453.5924)/Au price/31.1035) * (Cu recovery/Au recovery))*10000**

The metal prices and recoveries are the same as those used in past KSM AuEQ calculations; they were selected to enable direct comparisons with previous estimates. RMI notes that some apparent discrepancies in the calculation of contained metal may occur due to the rounding of tonnes and grades. The mineral resources tabulated in the table were not constrained by conceptual pits, although RMI did generate a series of conceptual pits for each zone to test the robustness of the deposits. The measured and indicated mineral resources in the Table below are inclusive of mineral reserves.

| | Measured Mineral Resources | | | | | Indicated Mineral Resources | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Zone | Tonnes (000) | Au (g/t) | Cu (%) | Au oz (000) | Cu lbs (million) | Tonnes (000) | Au (g/t) | Cu (%) | Au oz (000) | Cu lbs (million) |
| Kerr | No Measured Resources | | | | | 270,400 | 0.24 | 0.46 | 2,086 | 2,741 |
| Sulphurets | No Measured Resources | | | | | 370,900 | 0.59 | 0.21 | 7,036 | 1,717 |
| Mitchell | 724,000 | 0.65 | 0.18 | 15,130 | 2,872 | 1,052,900 | 0.58 | 0.16 | 19,634 | 3,713 |
| Iron Cap | No Measured Resources | | | | | 361,700 | 0.44 | 0.21 | 5,117 | 1,674 |
| **Total** | **724,000** | **0.65** | **0.18** | **15,130** | **2,872** | **2,055,900** | **0.51** | **0.22** | **33,873** | **9,845** |

| | Measured + Indicated Mineral Resources | | | | | Inferred Mineral Resources | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Zone | Tonnes (000) | Au (g/t) | Cu (%) | Au oz (000) | Cu lbs (million) | Tonnes (000) | Au (g/t) | Cu (%) | Au oz (000) | Cu lbs (million) |
| Kerr | 270,400 | 0.24 | 0.46 | 2,086 | 2,741 | 85,000 | 0.24 | 0.28 | 656 | 525 |
| Sulphurets | 370,900 | 0.59 | 0.21 | 7,036 | 1,717 | 177,100 | 0.50 | 0.15 | 2,847 | 585 |
| Mitchell | 1,776,900 | 0.61 | 0.17 | 34,764 | 6,585 | 567,800 | 0.44 | 0.14 | 8,032 | 1,752 |
| Iron Cap | 361,700 | 0.44 | 0.21 | 5,117 | 1,674 | 297,300 | 0.36 | 0.20 | 3,441 | 1,310 |
| **Total** | **2,779,900** | **0.55** | **0.21** | **49,003** | **12,717** | **1,127,200** | **0.41** | **0.17** | **14,976** | **4,172** |

Note: This table does not include the results of the 2012-13 exploration programs at the KSM Project. These resource estimates have been prepared in accordance with NI 43-101. See “Cautionary Note to United States Investors”. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Inferred resources are based on limited geologic evidence and sampling. It is reasonably expected that the majority of inferred resources could be upgraded to indicated resources with continued exploration.

***Mine Planning***

Open pit mining and block cave underground mining methods are proposed to be used for the KSM Project. Studies conducted by Golder show a viable block cave mine after initial open pit mining at the Mitchell deposit, and a viable standalone block cave mine at Iron Cap. Current Kerr and Sulphurets resources are not suitable for block cave mining and are designed as open pits.

The use of block cave mining in this PFS reduces the quantity of mined waste rock by approximately 2.3 Bt, or approximately 40% from the operation proposed in the previous pre-feasibility study of June, 2011.

*Open Pit Mining Operations*

Lerchs-Grossman ("**LG**") pit shell optimizations were used to define open pit mine plans in the 2012 KSM PFS Report. The RMI resource models classify the mineralization as measured, indicated, and inferred; only measured and indicated categories are used in the pit optimization.

Because of the difficulty in predicting relevant metal prices over such a long project life, the ultimate LG pit limits were set at the point where an incremental increase in pit size did not significantly increase the pit resource (an incremental increase in the pit resource results in only marginal economic return).

Detailed pit phases have been developed from the results of the LG sensitivity analysis integrating detailed pit slope criteria and highwall roads. The ultimate pits have been divided into smaller mining phases, or pushbacks, to allow for more even waste stripping in the optimized scheduling stage of the project design.

*Underground Mining Operations*

The underground block caving mine designs for both Mitchell and Iron Cap are based on modeling using stope optimization software. The ramp-up and maximum yearly mine production rates were established based on the rate at which the drawpoints are constructed, and the initial and maximum production rates at which individual drawpoints can be mucked. The values chosen for these inputs were based on industry averages adjusted to suit the anticipated conditions. In particular, the initial and maximum drawpoint production rates were reduced to simulate production environments with expected large fragmentation. The underground mining NSR cut-offs are Cdn$15.41 per tonne at Mitchell and Cdn$15.57 per tonne at Iron Cap. Mining dilution has been estimated at 9% for Mitchell and 5% at Iron Cap, all with dilution at zero grade.

*Geotechnical Aspects of the Mine Plan*

The high topographic relief in the areas of the open pits, block cave mines, and the Rock Storage Facilities (" **RSF**") requires specific consideration. Conservative designs, alternative/mitigating scenarios, and extra data and analyses have been included in the design work. Potential geohazards are identified in the area of the proposed open pits, block cave mine, RSFs, roads, and other infrastructure; designs include the mitigation of geohazards such as avalanche control, provision of avalanche run-out routes, barriers, and avalanche area and slope hazard avoidance as appropriate. All long term RSFs are confined to the lower Mitchell and McTagg valleys.

***Proposed Mining Operation***

The 2012 KSM PFS Report envisages a combined open-pit/underground block caving mining operation that is scheduled to operate for more than 50 years. During the initial 25 years of mine life, all ore would be mined by open pit methods with the mill scheduled to operate at an average of 130,000 metric tonnes per day. As mining at the Mitchell deposit switches to block caving in year 26, daily production is projected to decline to an average of approximately 90,000 tpd over the remaining 30 years of mine life. Over the entire 50 plus year mine life, ore would be fed to a flotation mill which would produce a combined gold/copper/silver concentrate for transport by truck to the nearby deep-water sea port at Stewart, B.C. for shipment to a Pacific Rim smelter. Extensive metallurgical testing confirms that KSM can produce a clean concentrate with an average copper grade of 25%, making it readily saleable. A separate molybdenum concentrate and gold-silver dore would be produced at the KSM processing facility.

The proposed open pit mining operations are typical of open-pit operations in mountainous terrain in western Canada, with typical open-pit mining methods and equipment. There is considerable operating and technical expertise, services and support in western Canada, British Columbia and in the local area for the proposed operations. A large capacity operation is being designed and large scale equipment is specified for the major operating areas in the mine to maximize productivity and minimize unit mining costs. Large scale equipment is also expected to reduce the labour requirement on site and dilute the fixed overhead costs for the mine operations.

The proposed underground operations are typical of large underground block cave mines around the world using typical underground mobile and fixed equipment including crushers, conveyors, haulage trains and a fleet of secondary breakers. These mines are large-capacity operations that utilize large equipment to generate high productivity and lower unit costs.

*Rock Storage Facilities*

The RSFs for Kerr, Sulphurets, and Mitchell are confined to the lower Mitchell and McTagg areas. This increases the costs of waste haulage from the further mining zones, but reduces the amount of disturbed area, as well as the post-mining reclamation and waste treatment requirements. The safe operation of high-relief RSFs in mountain terrain has been successfully demonstrated at other operations in western Canada; these approaches are being considered in this planning work. Costs have been included to address reclamation and post-closure requirements.

***Proven and Probable Reserves***

Proven and probable ore reserves for the KSM Project are summarized in the tables below.

**Proven Reserves**

| | | Diluted Grades | | | | Contained Metal | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Area** | **Ore (Mt)** | **Au (g/t)** | **Cu (%)** | **Ag (g/t)** | **Mo (ppm)** | **Au (Moz)** | **Cu (Mlb)** | **Ag (Moz)** | **Mo (Mlb)** |
| Mitchell Pit | 476 | 0.673 | 0.171 | 3.05 | 60.9 | 10.3 | 1,798 | 47 | 64 |
| Kerr Pit | - | 0.000 | 0.000 | 0.00 | 0.0 | 0.0 | - | 0 | 0 |
| Sulphurets Pit | - | 0.000 | 0.000 | 0.00 | 0.0 | 0.0 | - | 0 | 0 |
| **Total Proven** | **476** | **0.673** | **0.171** | **3.05** | **60.9** | **10.3** | **1,798** | **47** | **64** |

**Probable Reserves**

| | | Diluted Grades | | | | Contained Metal | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Area** | **Ore (Mt)** | **Au (g/t)** | **Cu (%)** | **Ag (g/t)** | **Mo (ppm)** | **Au (Moz)** | **Cu (Mlb)** | **Ag (Moz)** | **Mo (Mlb)** |
| Mitchell Pit | 497 | 0.613 | 0.156 | 2.78 | 65.8 | 9.8 | 1,707 | 44 | 72 |
| Kerr Pit | 242 | 0.244 | 0.454 | 1.20 | 0.0 | 1.9 | 2,425 | 9 | 0 |
| Sulphurets Pit | 318 | 0.585 | 0.219 | 0.79 | 50.6 | 6.0 | 1,535 | 8 | 35 |
| Mitchell Underground | 438 | 0.529 | 0.165 | 3.48 | 33.6 | 7.4 | 1,589 | 49 | 32 |
| Iron Cap Underground | 193 | 0.450 | 0.196 | 5.32 | 21.5 | 2.8 | 834 | 33 | 9 |
| **Total Probable** | **1,689** | **0.514** | **0.217** | **2.65** | **40.1** | **27.9** | **8,090** | **144** | **149** |

**Proven and Probable Reserves**

| Area | Ore (Mt) | Diluted Grades | | | | Contained Metal | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Au (g/t) | Cu (%) | Ag (g/t) | Mo (ppm) | Au (Moz) | Cu (Mlb) | Ag (Moz) | Mo (Mlb) |
| Mitchell Pit | 973 | 0.642 | 0.163 | 2.92 | 63.4 | 20.1 | 3,506 | 91 | 136 |
| Kerr Pit | 242 | 0.244 | 0.454 | 1.20 | 0.0 | 1.9 | 2,425 | 9 | 0 |
| Sulphurets Pit | 318 | 0.585 | 0.219 | 0.79 | 50.6 | 6.0 | 1,535 | 8 | 35 |
| Mitchell Underground | 438 | 0.529 | 0.165 | 3.48 | 33.6 | 7.4 | 1,589 | 49 | 32 |
| Iron Cap Underground | 193 | 0.450 | 0.196 | 5.32 | 21.5 | 2.8 | 834 | 33 | 9 |
| **Total Proven & Probable** | **2,164** | **0.549** | **0.207** | **2.74** | **44.7** | **38.2** | **9,889** | **191** | **213** |

The proven and probable reserves of 38.2 Moz of gold (2.164 Bt at 0.549 g/t) are derived from total measured and indicated resources of 49.0 Moz of gold (2.780 Bt at 0.55 g/t) and include allowances for mining losses and dilution. The mineral reserves in the Table above are included in measured and indicated mineral resources stated elsewhere in this AIF.

Waste to ore cut-offs were determined using metal prices of US$1,244 per ounce gold, US$3.21 per pound copper, US$22.98 per ounce silver and US$14.14 per pound molybdenum for net smelter return calculations. Net smelter return ("**NSR**") cut-offs for each pit are Cdn$9.57 per tonne of ore for Mitchell, Cdn$10.17 for Sulphurets and Cdn$9.61 for Kerr. The mining loss and dilution as well as the dilution grades varies by pit area and is specified in the following tables.

Mining Loss & Dilution

| Pit | Mining Loss | Mining Dilution |
|---|---|---|
| Mitchell | 2.2% | 0.8% |
| Sulphurets | 5.3% | 3.9% |
| Kerr | 4.5% | 3.2% |

Dilution Grades

| | Mitchell Pit | Kerr Pit | Sulphurets Pit |
|---|---|---|---|
| Cu (%) | 0.043 | 0.106 | 0.056 |
| Au (g/t) | 0.229 | 0.141 | 0.333 |
| Ag (g/t) | 1.45 | 0.78 | 0.59 |
| Mo (ppm) | 59.4 | – | 19.0 |
| NSR ($/t) | 7.55 | 7.60 | 8.19 |

***Metallurgical Testing***

Several wide-ranging metallurgical test programs were carried out between 2007 and early 2012 to assess the metallurgical responses of the mineral samples from the KSM deposits, especially the samples from the Mitchell deposit. Testwork conducted since early 2011 included: flotation locked cycle tests on the composite samples from Mitchell, Sulphurets, and Kerr deposits, and cyanide leach tests on the samples from the flotation products. The 2011 testing also assessed the resistance of the ore samples to grinding, in particular to semi-autogenous grinding ("**SAG**") milling.

The test results indicate that the mineral samples from the four separate mineralized deposits are amenable to the flotation-cyanidation combined process. The process consists of:

- copper-gold-molybdenum bulk rougher flotation followed by gold-bearing pyrite flotation;
- regrinding the bulk rougher concentrate followed by three stages of cleaner flotation to produce a copper-gold-molybdenum bulk cleaner flotation concentrate;
- molybdenum separation of the bulk cleaner flotation concentrate to produce a molybdenum concentrate and a copper/gold concentrate containing associated silver; and
- cyanide leaching of the gold-bearing pyrite flotation concentrate and the scavenger cleaner tailing to further recover gold and silver values as doré bullion.

The samples from the Mitchell deposit produced better metallurgical results with the chosen flotation and cyanide leach extraction circuits when compared to the metallurgical results from the samples taken from the Sulphurets, Iron Cap, and Kerr deposits. The locked cycle tests showed that, on average, approximately 85% of the copper and 60% of the gold in the Mitchell samples, which contain 0.205% Cu and 0.72 g/t Au, were recovered into a concentrate containing 24.8% Cu. The cyanidation further recovered approximately 18% of the gold from the gold bearing products consisting of the cleaner flotation tailing and the gold bearing pyrite flotation concentrate.

***Mineral Processing***

The proposed flotation process is projected to produce a copper-gold concentrate containing approximately 25% copper. This concentrate is estimated to recover between 76% and 88% of the copper, and between 50% and 62% of the gold from the mill feed. Copper and gold flotation recoveries are expected to vary with changes in head grade and mineralogy. For the LOM mill feed containing 0.549 g/t Au and 0.207% Cu, the average copper and gold recoveries to the concentrate are projected to be 81.7% and 53.9%, respectively. Based on the testwork, the cyanidation circuit (carbon-in-leach) is projected to increase the overall gold recovery to a range of 70% to 79%, averaging 73.2% for the LOM, depending on gold and copper head grades. Silver recovery from the flotation and leaching circuits is expected to be 63% on average. A separate flotation circuit will recover molybdenite from the copper-gold molybdenum bulk concentrate when higher-grade molybdenite mineralization is processed.

The process plant consists of three separate facilities: an ore primary crushing and handling facility at the mine site, a 23 km Mitchell-Treaty ore conveyance and transportation tunnel system, and a main process facility at the Treaty plant site, adjacent to the TMF. The processing circuit at the Treaty site includes secondary crushing by cone crushers and tertiary crushing by high pressure grinding rolls ("**HPGR**"), primary grinding by ball mills, flotation, regrinding, leaching, and concentrate dewatering.

The comminution plant at the Mitchell mine site reduces the mill feed from 80% passing 1,200 mm to 80% passing 150 mm by gyratory crushers. The crushed ore would be stockpiled at the Mitchell site prior to being conveyed to the Treaty site, located near the TMF, northeast of the Mitchell mine site.

A 23-km Mitchell-Treaty twin tunnel ("**MTT**") system has been designed to connect the Mitchell and Treaty sites. The crushed ore would be transported through one of the twin tunnels by conveyance. This tunnel would also be used for electrical power transmission and diesel fuel delivery by pipeline. The adjacent tunnel would be used for the transport of personnel and supplies for mine operating and water management activities. The proposed tunnel route is through Crown land and approximately 13 kilometers of its length passes through ground subject to mineral claims held by third parties.

The process plant at the Treaty site would consist of secondary and tertiary crushing, primary grinding, flotation, concentrate regrinding, concentrate dewatering, cyanide leaching, gold recovery, and tailing delivery systems. The crushed ore conveyed from the Mitchell site would be sent to a 60,000-t stockpile adjacent to the tunnel portal. The ore would then be reclaimed and crushed by cone crushers, followed by HPGR.

The ores from the HPGR comminution circuits would be ground to a product size of 80% passing 150 µm by four conventional ball mills in closed circuit with hydrocyclones. The ground ore would then have copper/gold/molybdenum minerals concentrated by conventional flotation to produce a copper-gold-molybdenum concentrate and gold-bearing pyrite products for gold leaching. Depending on molybdenum content in the copper-gold-molybdenum concentrate, the concentrate may be further treated to produce a copper-gold concentrate and a molybdenum concentrate. The molybdenum concentrate would be leached to reduce copper content. The concentrate would be dewatered and shipped to copper and molybdenum smelters.

The gold-bearing pyrite products which consist of the bulk cleaner flotation tailing from the copper-gold-molybdenum cleaner flotation circuit and the gold-bearing pyrite concentrate would be leached with cyanide ("**CIL**") for additional gold and silver recovery. Prior to storage in the lined pond within the TMF, the leach residues from the cyanide leaching circuits would be washed, and subjected to cyanide recovery and destruction. The water from the residue storage pond would be recycled back to the cyanide leach circuit. Any excessive water would be further treated prior to being used as process water for the flotation circuit or sent to the flotation tailing storage pond.

The flotation tailing and the washed leach residues would be sent to the TMF for storage in separate tailing areas. Two water reclaim systems for the flotation tailing pond and the CIL residue pond have been designed to separately reclaim the water from the TMF.

***Tailing Management***

The TMF would be constructed in three cells: the North and South cells for flotation tailing, and a lined cell for CIL tailing. The cells are confined between four dams (North, Splitter, Saddle, and Southeast dams) located within the Teigen-Treaty Creek cross-valley. In total, the TMF is designed to have a capacity of 2.3 Bt, which is more than the 2.19 Bt required for a greater than 50 year mine life.

De-pyritized flotation tailing is to be stored in the North and South cells. The pyrite bearing CIL (carbon-in-leach) tailing is to be stored in a lined central cell.

The North and CIL cells would be constructed and operated first; they would store tailing produced in the first 25 years. The North Cell would then be reclaimed while the CIL and South cells are in operation.

The Splitter and Saddle starter dams form the CIL pond and incorporate high density polyethylene and linear low density polyethylene liners in the core and basin floor in order to surround the CIL tailing within a completely lined impoundment.

Cyclone sand dam raises would be constructed from April through October each year, starting with the North Cell. To reach the capacity of 2.3 billion tonnes, an ultimate dam crest elevation of 1068 m will be required for the North Cell dams and 1068 m for the South Cell. This will require a dam height of up to 240 m for the Southeast dam, which is the highest dam of the TMF.

Process water collected in the flotation and CIL tailing cells would be reclaimed by floating pump barges and recycled separately to the plant either for use in the process or to be discharged. Diversions would be constructed to route non-contact runoff from the surrounding valley slopes around the TMF. During operation of the North Cell, normal non-contact flows would be diverted to the north to Teigen Creek, while flood waters would be routed south to Treaty Creek. As operations switch to the South Cell, non-contact flows would continue to be routed around the North Cell towards Teigen Creek and away from the South Cell.

Each of the cells are expected to have surplus water. Surplus water is proposed to be managed during operations using a combination of storage, discharge to Treaty Creek during freshet if water quality meets standards, or treatment at the Treaty process plant water treatment facility (if required) and discharge.

***Mine Area Water Management***

During the open pit phase, two diversion tunnel routes (each with twinned tunnels, for a total of four tunnels) would be required to route glacial melt water and non-contact valley runoff from the Mitchell and McTagg valleys around the mine area. When the Mitchell block caving operation commences, an additional twinned diversion tunnel paralleling the first phase tunnels would be driven to protect the underground workings, which are more sensitive to inflows than the open pits.

The second tunnel of each set of twinned tunnels provides redundancy against blockage as each individual tunnel can carry typical freshet flows. The provision of twin tunnels also allows switching base flows between adjacent tunnels if access for maintenance is required.

The Mitchell tunnels route water from Mitchell Creek/Mitchell Glacier to the Sulphurets Valley, away from the open pit, primary crushing facility, open pit area, and Mitchell RSF. The Mitchell diversion tunnel would collect melt water from beneath the base and toe of the Mitchell Glacier via separate surface and sub-glacial inlet structures, which improves redundancy. Both surface and subglacial inlets are designed to protect the inlet of the diversion from being blocked by snow avalanches. The Mitchell Diversion is proposed to generate hydroelectric power as Sulphurets Valley is lower than Mitchell Valley.

The McTagg valley tunnels collect flows from east and west McTagg valleys and feed into the main diversion tunnel route, around the west side of the McTagg RSF, and discharge into Sulphurets Valley. These tunnels would have three staged inlets as the McTagg RSF raises in elevation. Hydropower is proposed to be generated by the McTagg tunnels only in Stages 2 and 3.

An in-rock spillway would be constructed at the southwest corner of the McTagg RSF to convey surface diversion flows down to diversion pipelines and channels on the west and east sides of the Water Storage Facility ("**WSF**") pond.

All contact water from the mine areas (open pits, RSFs, roads, infrastructure) would be directed to the WSF, located in the lower Mitchell Creek area. The facility would be formed with an initially 156 m-high earth/rock fill dam. After Year 10, the dam would be raised by 10 m to create sufficient storage for the increased catchment area of the RSFs and open pits.

During operations, secondary diversion ditches and pipelines would be implemented within the mine area to reduce contact water volumes. Open pit contact water and discharge from pit dewatering wells would gravity-flow from the pit rims, via ditches or direct drainage, and via pipelines to the WSF.

Mine area contact water is to be treated with a high density sludge lime water treatment plant ("WTP").

Additional hydropower is to be generated in an energy recovery facility from the flow of treatment water from the WSF to the WTP, which is located at a lower elevation in the Sulphurets Valley.

***Infrastructure***

The plant and mine facility layouts are located to take advantage of the natural topography and, to the extent possible, minimize the impact on the environment and geohazard risks.

Ore from the Sulphurets and Kerr pits is to be transported by connected overland conveyors to an ore stockpile at the Mitchell site, and in the case of the Kerr ore, ore is to be transported to the Sulphurets pit area by rope conveyor. The ore at the Mitchell site would be trucked to one of two primary crushers near the Mitchell pit and conveyed to a covered stockpile. Ore would be reclaimed from the stockpile by tunnel feeders and fed on to a tunnel conveyor through one of the two parallel Mitchell-Treaty tunnels to the Treaty plant site. One of the MTTs would be used for the conveyor, a water pipeline, a diesel fuel pipeline, and electrical power transmission cables. The other MTT would be a transportation tunnel to provide access for maintenance services to the conveyor tunnel. It would also serve to deliver bulk supplies and move personnel to/from the Mitchell valley mine areas. The proposed tunnel route is through Crown land and approximately 13 km of its length passes through ground subject to mineral claims held by third parties.

The lower Mitchell site area infrastructure includes the initial staging, construction and permanent camps, explosive facilities, the water storage dam, diversion tunnels, and hydro power plants. Access and appropriate haul roads would be provided to all of these areas. The main processing facilities at the Treaty site consist of stockpiling, secondary and HPGR tertiary crushing, a flotation plant, a cyanide leaching plant, the TMF, a construction and permanent accommodation complex, as well as maintenance and support facilities.

Two primary permanent access roads are planned to the mine and plant site; the Coulter Creek Access Road, a single-lane, radio-controlled road constructed for moving large equipment and supplies to the mine site, and the Treaty Creek Access Road, a two-lane road, constructed to provide permanent access from Highway 37 to the plant site and east portal of the MTT.

The Coulter Creek Access Road requires an extension of the existing 59 km road from Highway 37, just south of Bob Quinn, to the former Eskay Creek Mine by a distance of 35 km.

The new 35 km-long Coulter Creek Access Road is to commence at the end of the 59 km Eskay Creek Mine road and follow the west side of the valley south for approximately 21 km before crossing the Unuk River. It then turns east through a series of switchbacks and follows the north side of the Sulphurets Creek valley to the Mitchell Creek valley and mine site.

The Treaty Creek Access Road leaves Highway 37 approximately 19 km south of Bell II, is to cross the Bell- Irving River, and follow the north side of the Treaty Creek valley for approximately 18 km. It then would turn north and follow the west side of the North Treaty Creek/Teigen Creek valley for approximately 12 km to the plant site, TMF and east portal of the MTT. This road is to be used to transport supplies, equipment, and crew members to and from the plant site, and to transport concentrate to Highway 37 during the life of the mine.

There would also be a 15 km-long single-lane, radio-controlled road providing access to the MTT saddle construction access portals which leaves the Treaty Creek Access Road at approximately kilometre 18 and heads west. It would be used for construction and would be maintained for service access.

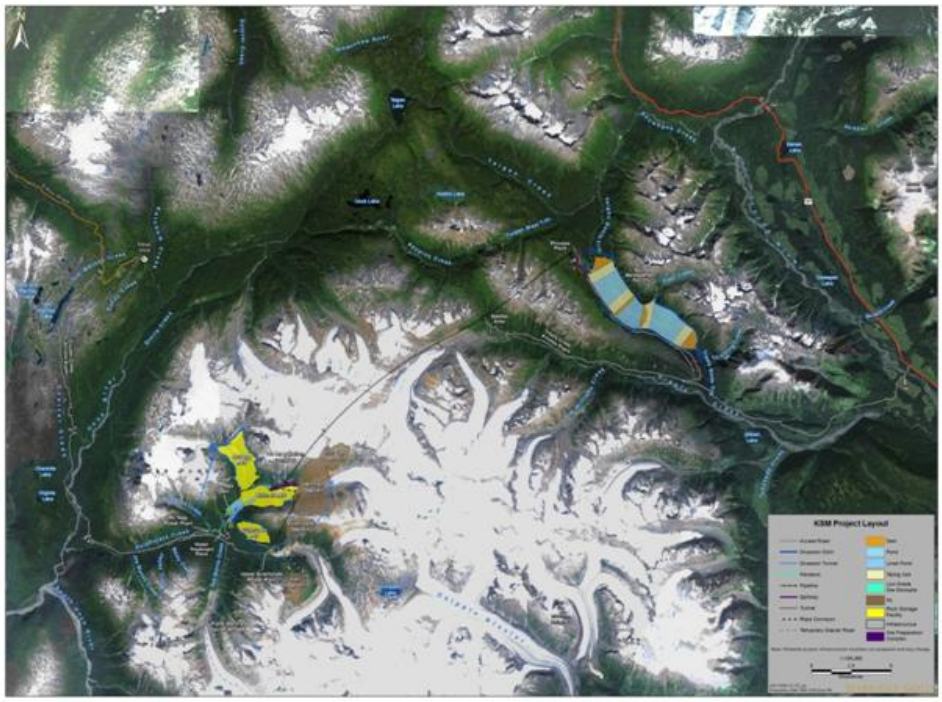
During the first three winter seasons a Winter Access Road is proposed to be constructed to access the KSM mine site and used to mobilize water treatment supplies and mobile equipment and supplies for construction of access roads and water diversions. The route begins at the end of an existing all-season road near the abandoned Granduc Mine, heads up the Berendon Glacier and then up and over the Frank Mackie Glacier into the Ted Morris Creek valley, which is a tributary of Sulphurets Creek.

Copper concentrate produced at the process site is to be filtered at the plant site and transported by contract trucking firms on Highway 37 and 37A to a storage and concentrate loading facility site in Stewart, BC. Copper concentrate is to be loaded and shipped via ocean transport to overseas smelters.

Molybdenum concentrate produced at the process site would be loaded in bags and transported by contract trucking firms on Highways 37 and 16 to Prince Rupert, BC. Molybdenum concentrate would be loaded into containers and shipped via ocean transport to Asia.

In Figure 3 below, the location of the proposed infrastructure is shown.

**Figure 3 - KSM Project Layout**




***Power Supply and Distribution***

Electric service for the KSM Project is to come from BC Hydro's Northwest Transmission Line (the " **NTL**"). The new 344 km long, 287 kV NTL runs from the Skeena Substation on the BC Hydro 500 kV grid near Terrace, BC, to Cranberry Junction from which point it roughly parallels BC Highway 37 to its terminus at Bob Quinn.

A 28.5 km long, 287 kV transmission extension from the NTL is to be constructed by Seabridge, originating at the Treaty Creek switching station, approximately 20 kilometres south of Bell II, and terminating at the Treaty Plant Site Substation. This will parallel the Treaty Creek Access Road. The KSM Project is expected to take electrical service from the new NTL as a Transmission Service Customer under Schedule 1823 as published in the BC Hydro tariffs.

Seabridge has commissioned BC Hydro to carry out a Facilities Study for the KSM Project. The Facilities Study, which is currently being updated, is the final evaluation required by the utility to define costs and terms of electric service. Upon completion of the Facilities Study, the parties will then be in a position to sign a Facilities Agreement, which forms part of the contract for the supply of electric power. Seabridge was the first mining company to commission a Facilities Study for power supply from the NTL and the KSM Project therefore has priority for service from this new transmission line.

Power to the Mitchell mine and mill site would be provided from the Treaty Plant Site Substation via a 138 kV cable through the MTT conveyor tunnel connecting the two operation sites. This supply would terminate at the 138 to 25 kV step-down Mitchell Substation at the Mitchell primary crushing and stockpile area. There would be 25 kV cables from the Mitchell Substation feeding the primary crushing and conveying facilities. In addition, 25 kV cables would also feed half of the drives of the main Mitchell to Treaty conveyor. Overhead lines fed from the substation would supply the Mitchell pit and other facilities including the WTP, Mitchell hydro plant, truck shop, camp, explosives plant, and other installations.

Several energy recovery and mini-hydro plants have been included in the project development plan. These plants generate electric power by making use of facilities already included in the project and are expected to result in significant net project energy savings. The total annual energy generation is estimated to be 48,706,000 kWh, excluding the proposed future McTagg installation. All of the plants are to be operated unattended and be automatically controlled by programmable logic controller systems. The power would be fed into the local mine distribution power lines. The plants would either displace costly Tier 2 utility power, or would be sold back to BC Hydro under their Standing Offer Program.

***Capital Cost Estimate***

An initial capital cost of US$5.256 billion is estimated for the project. Costs in the 2012 KSM PFS Report are expressed in US Dollars and have been converted using a fixed currency exchange rate of CDN$1.00 to US$0.96. The expected accuracy range of the capital cost estimate is +25%, -10%. This estimate includes only initial capital, defined as all capital expenditures required to produce concentrate and doré. A summary of the major capital costs is shown in the following table.

| Description | US$000 | US$000 |
|---|---|---|
| **Direct Works** | | |
| Overall Site | 199,818 | |
| Open Pit Mining | 185,826 | |
| Underground Mining (Mitchell Block Caving) | 0 | |
| Underground Mining (Iron Cap Block Caving) | 0 | |
| Crushing, Stockpiles and Grinding | 156,900 | |
| Tunneling | 344,213 | |
| MTT Transfer System | 273,695 | |
| Rope Conveyance (Sustaining) | 0 | |
| Plant Site Crushing | 348,699 | |
| Plant Site Grinding | 458,242 | |
| TMF | 311,108 | |
| Water Treatment | 309,462 | |
| Environmental | 44,225 | |
| Avalanche Control | 45,845 | |
| Site Services and Utilities | 34,226 | |
| Ancillary Buildings | 96,097 | |
| Plant Mobile Equipment | 10,676 | |
| Temporary Services | 190,739 | |
| Treaty Road Marshaling Yard | 10,791 | |
| Permanent Electrical Power Supply and BC Hydro Capital Cost Contribution | 217,319 | |
| Mini Hydro Plants | 16,536 | |
| Energy Recovery Plants | 7,576 | |
| Permanent Access Roads | 93,433 | |
| Temporary Winter Access Roads | 18,208 | |
| Off-site Infrastructure and Facilities | 73,896 | |
| **Direct Works Subtotal** | | **3,447,530** |
| **Indirects** | | |
| Project Indirects | 1,056,550 | |
| Owner's Costs | 106,315 | |
| Contingencies | 645,743 | |
| **Indirects Subtotal** | | **1,808,608** |
| **Total Capital Cost** | | **5,256,138** |

This capital cost estimate is prepared with a base date of Q1/Q2 2012. The estimate does not include any escalation past this date. Budget quotations were obtained for major equipment. The vendors provided equipment prices, delivery lead times, freight costs to a designated marshaling yard, and spares allowances. The quotations used in this estimate were obtained in Q1/Q2 2012, and are budgetary and non-binding. For non-major equipment (i.e. equipment less than $100,000), costing is based on in-house data or quotes from recent similar projects.

***Operating Cost Estimate***

The operating cost for the KSM Project was estimated at US$13.72/t milled. The estimate was based on an average daily process rate of 130,000 t/d milled. The operating cost estimates are based upon budget prices in Q1/Q2 2012 or based on the data from the database of the consulting firms involved in the cost estimates. When required, costs in this section have been converted using a three-year average currency exchange rate of Cdn$1.00 to US$0.96. The expected accuracy range of the operating cost estimate is +25%/-10%.

Power is expected to be supplied by BC Hydro at an average cost of US$0.047/kWh at the plant 25 kV bus bars, based on the BC Hydro credits for energy conservation by use of HPGR and similar. Process power consumption estimates are based on the Bond work index equation for specific grinding energy consumption and estimated equipment load power draws for the rest of the process equipment. The power cost for the mining section is included in the mining operating costs. Power costs for surface service are included in the site services costs.

| Average Operating Cost Summary | | |
|---|---|---|
| | **US$/a (000's)** | **US$/t Milled** |
| **Mine** | | |
| Mining Costs – Mill Feed | 251,901 | 5.31* |
| Open Pit – Mill Feed | | 5.38 |
| Block Caving – Mill Feed | | 5.14 |
| **Mill** | | |
| Staff & Supplies | 233,012 | 4.91 |
| Power (Process only) | 53,081 | 1.12 |
| **G&A and Site Service** | | |
| G&A | 53,556 | 1.13 |
| Site Service | 14,959 | 0.32 |
| **Tailing and Water Treatment** | | |
| Tailing | 24,440 | 0.52 |
| Water Treatment | 20,238 | 0.43** |
| **Total** | **651,187** | **13.72** |

* excluding mine pre-production operating costs
** LOM average cost calculated by total LOM operating cost divided by LOM process tonnage.

The operating costs are defined as the direct operating costs including mining, processing, tailing storage, water treatment, site services and G&A. The hydropower credit from the recovered hydro-energy during mining operations is not accounted in the operating cost estimate, but is included in the financial analysis. Sustaining capital includes all capital expenditures after the process plant has been put into production.

***Economic Evaluation***

The economic evaluation was prepared on both a pre-tax financial and a post-tax financial model.

Metal revenues projected in the KSM Project cash flow models were based on the average metal production values as follows:

| | Years 1 to 7 | Years 1 to 20 | Life of Mine |
|---|---|---|---|
| Total Tonnes to Mill (000s) | 310,062 | 926,916 | 2,164,419 |
| Annual Tonnes to Mill (000s) | 44,295 | 46,346 | 39,353 |
| **Average Grades** | | | |
| Gold (g/t) | 0.79 | 0.67 | 0.549 |
| Copper (%) | 0.234 | 0.180 | 0.207 |
| Silver (g/t) | 2.385 | 2.737 | 2.740 |
| Molybdenum (ppm) | 46.2 | 61.4 | 44.8 |
| **Total Production** | | | |
| Gold (000s oz) | 5,959 | 15,003 | 27,959 |
| Copper (000s lb) | 1,364,880 | 3,024,655 | 8,075,101 |
| Silver (000s oz) | 14,712 | 50,154 | 120,826 |
| Molybdenum (000s lb) | 9,067 | 41,477 | 62,679 |
| **Average Annual Production** | | | |
| Gold (000s oz) | 851 | 750 | 508 |
| Copper (000s lb) | 194,983 | 151,233 | 146,820 |
| Silver (000s oz) | 2,102 | 2,508 | 2,197 |
| Molybdenum (000s lb) | 1,295 | 2,074 | 1,140 |

A cash flow analysis was prepared using three metals price scenarios. In the base case scenario, the three-year trailing average (as of April 15, 2012) prices for gold, copper, silver and molybdenum were used, consistent with industry standard and in compliance with the guidance of the United States Securities and Exchange Commission and NI 43-101. Two additional metal price scenarios were also developed: one using the spot metal prices on April 15, 2012, including the closing exchange rate of that day (Spot Price Case); the other using gold, copper, and silver prices 20% lower than the April 15 prices at the Base Case exchange rate (Alternate Case). The input parameters and results of all three scenarios on a pre-tax basis can be found in the following table.

**Summary of the Pre-Tax Economic Evaluation**

| | Unit | Base Case | Spot Price Case | Alternate Case |
|---|---|---|---|---|
| **Metal Price** | | | | |
| Gold | US$/oz | 1,330.00 | 1,650.00 | 1,320.00 |
| Copper | US$/lb | 3.45 | 3.75 | 3.00 |
| Silver | US$/oz | 25.20 | 32.00 | 25.60 |
| Molybdenum | US$/lb | 15.00 | 15.00 | 15.00 |
| Exchange Rate | US:Cdn | 0.96 | 1.00 | 0.96 |
| **Economic Results** | | | | |
| NPV (at 0%) | US$ M | 20,473 | 31,160 | 16,776 |
| NPV (at 3%) | US$ M | 8,196 | 13,137 | 6,612 |
| NPV (at 5%) | US$ M | 4,511 | 7,748 | 3,503 |
| NPV (at 8%) | US$ M | 1,614 | 3,503 | 1,031 |
| IRR | % | 11.53 | 14.73 | 10.35 |
| Payback | Years | 6.19 | 5.16 | 6.68 |
| Cash Cost/oz Au | US$/oz | 141.30 | 60.04 | 263.54 |
| Total Cost/oz Au | US$/oz | 597.60 | 535.35 | 719.84 |

The post-tax economic evaluation also includes income and mining taxes. It was prepared using corporate income tax rates of 15% for federal and 11% for British Columbia, after permitted deductions. The provincial mining tax is a two tier tax of 2% of "net current proceeds" and 13% of "net revenue", but the 2% tax is fully creditable against the 13% tax. Under the mining tax, "net current proceeds" is defined as gross revenue from the mine less mine operating expenditures, and "net revenue" is defined as gross revenue from the mine, less operating expenditures, less any amounts in the "cumulative expenditures account" (the aggregate of capital expenditures, mine development costs and fixed asset purchases). Therefore, the 13% tax is not assessed until all pre-production capital expenditures have been amortized. The mining tax is deductible for federal and provincial income tax purposes.

The input parameters and results of all three scenarios on an after-tax basis can be found in the following table.

**Summary of the Post-Tax Economic Evaluation**

| | Unit | Base Case | Spot Price Case | Alternate Case |
|---|---|---|---|---|
| **Metal Price** | | | | |
| Gold | US$/oz | 1,330.00 | 1,650.00 | 1,320.00 |
| Copper | US$/lb | 3.45 | 3.75 | 3.00 |
| Silver | US$/oz | 25.20 | 32.00 | 25.60 |
| Molybdenum | US$/lb | 15.00 | 15.00 | 15.00 |
| Exchange Rate | US:Cdn | 0.96 | 1.00 | 0.96 |
| **Economic Results** | | | | |
| NPV (at 0%) | US$ M | 13,106 | 20,142 | 10,908 |
| NPV (at 3%) | US$ M | 5,004 | 8,302 | 4,080 |
| NPV (at 5%) | US$ M | 2,520 | 4,703 | 1,930 |
| NPV (at 8%) | US$ M | 539 | 1,834 | 189 |
| IRR | % | 9.38 | 12.19 | 8.50 |
| Payback | Years | 6.39 | 5.33 | 6.88 |

The analysis shows that the project would have a positive NPV of US$2.52 billion (US$4.511 billion pre-tax) at a 5% discount rate. The project NPV decreases to US$1.93 billion (US$3.503 billion pre-tax) in the alternate case but increases to US$4.703 billion (US$7.748 billion pre-tax) when using the metal spot prices. With the base case three-year metal price average ending April 15, 2012, the cash cost per ounce of gold (net of by-product credits) is US$141.30. The corresponding total cost per ounce of gold produced is US$597.60.

The financial analysis shows that the internal rate of return (" **IRR**") would be 9.38% (11.53% pre-tax) for the base case, would decrease to 8.50% (10.35% pre-tax) for the alternate case and increase to 12.19% (14.73% pre-tax) for the spot price case. The payback period for the post-tax model is 6.39 years for the three-year base case, 6.88 years for the alternate case and 5.33 years for the spot price case.

Sensitivity analyses were carried out on gold, copper, silver, and molybdenum metal prices, exchange rate, capital expenditure and operating costs. The analyses are presented in the 2012 KSM PFS Report graphically as financial outcomes in terms of NPV, IRR and payback period on a pre-tax basis. The project NPV is most sensitive to gold price and exchange rate followed by operating costs, copper price, capital costs, silver price, and molybdenum price. The IRR is most sensitive to exchange rate and gold price followed by capital costs, operating costs, copper price, silver price, and molybdenum price. The payback period is most sensitive to gold price and exchange rate followed by capital costs, copper price, operating costs, silver price, and molybdenum price.

***Recommendations***

The central recommendation emerging from the work carried out in the 2012 KSM PFS Report, including the economic evaluation, is that the 2012 KSM PFS Report should be followed by a Feasibility Study in order to further assess the economic viability of the KSM Project. This general recommendation leads to several more specific recommendations in the 2012 KSM PFS Report that are driven by the need to complete more detailed work to meet the level of assurance required for a higher level study. In addition, recommendations are made to investigate certain identified opportunities for cost savings or risk management. These recommendations include:

- the Mitchell pit design, as it relates to the 1,250 m high Mitchell pit wall, should be benchmarked with other operations and projects around the world to gain from comparative experience;
- details of the water management plans, mine access and haul roads and waste management plans should be reviewed and optimized with a view to reducing capital and/or operating costs;
- investigation and study of the use of higher lift dumps, the impact of phase size in Mitchell and the use of LNG power haul trucks for opportunities to lower costs;
- drilling and testing for the proposed pit slopes to further refine geological interpretations in each zone, long term pumping tests in the three pits, stress testing and modelling of the Mitchell pit, refinement of the design of the Mitchell north slope dewatering adit and a risk assessment of potential water into the pit over the Mitchell pit east wall from the Mitchell glacier diversion tunnel; and
- further metallurgical testing to optimize process conditions and to establish design related parameters.

***Other Relevant Data and Information - Core Zone Exploration***

As the Issuer was completing the 2012 KSM PFS Report, it decided to commence an exploration program designed to pursue an exploration thesis that: (1) porphyry deposits are known to have high-grade cores formed under higher temperature and pressure conditions in deeper parts of the system (2) such a core has not been discovered at KSM; and (3) all the available data suggests that such a core exists and that it likely remains intact within the KSM claim boundaries. This exploration program used data assembled over many years of temperature and pressure variances, geochemical markers and deep penetrating geophysical surveys to vector from known mineralization towards a possible high-grade core.

In 2012 several promising targets were tested and three targets continued as priorities for exploration in 2013. The Deep Kerr zone had yielded the most compelling results and finding a core zone at Deep Kerr was identified as the focus of drilling in 2013. The Issuer completed 23,802 meters of drilling at the Deep Kerr deposit and confirmed it as a high grade copper/gold core zone. Based on the success of its drilling at Deep Kerr, the Issuer engaged RMI to prepare a resource estimate for the Deep Kerr deposit. Since substantial additional drilling and advanced engineering analysis will be required before it is possible to evaluate whether or not Kerr and Deep Kerr can be combined in a single underground operation, it was decided that the Deep Kerr deposit should be treated as a stand-alone occurrence, separate from the KSM Project's existing reserves which have undergone detailed pre-feasibility analysis.

The 2014 Deep Kerr Report was prepared by RMI under the direction of Michael J. Lechner (P. Geo British Columbia #155344, Arizona RPG #37753 and AIPG CPG #10690), a Qualified Person under NI-43-101. The 2014 Deep Kerr Report sets forth resources for the Deep Kerr deposit incorporating 2012 and 2013 drilling results and is available on SEDAR at www.sedar.com.

The 2012 KSM PFS Report includes a summary of the 2014 Deep Kerr Report. More detailed information supporting this summary is set forth in the 2014 Deep Kerr Report.

*Geology and Mineralization*

The Deep Kerr zone lies within an area known as “Stikinia”, which is a terrane consisting of Triassic and Jurassic volcanic arcs that were accreted onto the Paleozoic basement of the early North American plate. Early Jurassic sub-volcanic intrusive complexes are scattered through the Stikinia terrane and are host to numerous precious and base metal rich hydrothermal systems. These include several well known copper-gold porphyry systems such as Galore Creek, Red Chris, Kemess, and Mt. Milligan in addition to the large cluster of deposits in the Sulphurets district, which hosts KSM and the adjacent Snowfield and Brucejack deposits.

At KSM, volcanics and sediments of the Triassic arc assemblage belong to the Stuhini Group, which is disconformably to unconformably overlain by Jurassic volcanics and sediments of the Hazelton Group. The Stuhini Group includes turbidic siltstone, minor limestone, basaltic flows and tuffs, and thick sequences of conglomerate. These are interpreted to have formed in a deep marine environment transitioning to a shallow marine environment. They have been subjected to multiple deformation events and exhibit a low greenstone facies metamorphic grade with penetrative cleavage. The Hazelton Group consists of andesite flows, breccias, pyroclastics, rhyodacitic welded tuffs, and interbedded sedimentary units. The Jack Formation is interpreted to be a basal conglomerate marking the beginning of the Hazelton Group. Hazelton Group rocks transition from shallow marine to a mixed marine and terrestrial environment, and are in turn conformably overlain by a thick back-arc assemblage of black siliclastic sediments of the Bowser Lake Group north and east of the property.

The property lies within the Skeena fold and thrust belt, which was formed during a Cretaceous deformational event. As a result, Triassic rocks have been thrust over Jurassic rocks at KSM, and a series of imbricate thrust sheets have dismembered much of the property and deposits into distinct structural panels. The principal thrust faults are the Sulphurets and Mitchell, which in general dip moderately to the northwest. However, geometry is complex as compressional stresses were preferentially accommodated by phyllic altered rocks with lower competency, and re-aligned around competent intrusive bodies that behaved as buttresses. Later folding and normal faulting resulted in further geometrical complexity.

The Deep Kerr deposit is considered to be within the spectrum of the gold-enriched copper porphyry environment and metals, chiefly gold and copper (in terms of economic value), are generally at low concentrations. Mineralization is typically finely disseminated, stockwork or sheeted veinlet controlled and pervasively dispersed over dimensions of hundreds of metres. At Deep Kerr, grade distribution is more erratic than observed at other KSM deposits especially in shallower parts. Variable pathways for mineralizing fluids were controlled by fracture induced permeability within the PAND1 intrusion (porphyritic andesite), and even more so in the overlying intrusive breccia and mixed unit. There are both gradational boundaries and sharp boundaries, which usually occur at lithological or alteration contacts, especially by a high quartz zone (>20% by volume of quartz stockwork veinlets). Mineralization within the PAND1 at the northern and deeper portions of Deep Kerr is more homogeneous, similar to the Mitchell deposit. However, as at Mitchell, due to the intensity of hydrothermal alteration and post-mineral deformation/metamorphism, it is difficult to recognize original protoliths.

*Drilling and Sampling*

Seabridge completed a helicopter supported diamond drilling program at the KSM Project in 2012. Three holes totaling 2,729m were drilled in 2012 (K-12-20, K-12-21, and K-12-22) to test select target areas. The holes were drilled at oblique angles to mineralization in order to observe vertical changes in mineral zoning over as long a distance as possible. The concept was that developing a better understanding of mineralization and alteration zoning would optimize targeting a potentially higher grade, bornite bearing core zone that was interpreted to exist at depth. Although the results of those drill holes returned the longest and highest grade intervals up to that time at the Kerr zone, the mineral and alteration zoning patterns were still unclear, as post-mineral deformation and metamorphism was proven to be more extensive than previously modeled.

In 2013, a drilling program was designed to explore for, and if possible, partially delineate a high grade zone of mineralization located below the existing Kerr near surface resource. In the first phase of the 2013 program, drill holes were vectored in an easterly azimuth to crosscut the mineralized trend. The holes were spaced at approximately 450m intervals and drilled up to 1,470m deep. Holes from the first phase covered approximately 1,600m of the north-south strike length of the recognized zone. In the second phase of the drill program two areas were selected for closer spaced drilling to assess mineralized continuity. This phase of the program reduced the drill hole spacing to approximately 140 metres. In total, 23,832m in 29 drill holes were drilled in 2013 to evaluate the Deep Kerr deposit.

For the 2013 campaign, Seabridge used directional drilling methods for a portion of their program. Drill holes with a letter designation after the hole number represent wedged drill holes that utilized the directional drilling method. Of the 29 drill holes completed in 2013, 15 were wedged off from mother holes at depths ranging from 180m to 750m.

The following Table summarizes significant drill hole intercepts from the 2013 Deep Kerr drilling campaign.

| Drill Hole ID | From (m) | To (m) | Length (m) | Cu (%) | Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|---|
| K-13-23 | 1066.20 | 1362.40 | 296.20 | 0.73 | 0.40 | 1.15 |
| K-13-23A | 823.40 | 1007.80 | 184.40 | 0.56 | 0.21 | 2.11 |
| K-13-23B | 953.00 | 1249.40 | 296.40 | 0.65 | 0.59 | 1.10 |
| K-13-23C | 908.90 | 1224.40 | 315.50 | 0.65 | 0.45 | 1.20 |
| K-13-24 | 807.00 | 929.70 | 122.70 | 0.85 | 0.86 | 2.64 |
| K-13-24 | 813.00 | 874.90 | 61.90 | 1.02 | 0.44 | 2.80 |
| K-13-24 | 889.60 | 929.70 | 40.10 | 0.83 | 1.72 | 3.16 |
| K-13-24A | 791.00 | 952.00 | 161.00 | 0.51 | 0.38 | 1.97 |
| K-13-24A | 1080.40 | 1139.60 | 59.20 | 0.62 | 0.26 | 1.26 |
| K-13-24B | 762.00 | 931.00 | 169.00 | 0.59 | 0.50 | 2.34 |
| K-13-24C | 825.00 | 1053.00 | 228.00 | 0.72 | 0.96 | 2.60 |
| K-13-25 | 928.80 | 1171.00 | 242.20 | 0.61 | 0.26 | 2.28 |
| K-13-25 | 1131.00 | 1171.00 | 40.00 | 1.02 | 0.35 | 2.84 |
| K-13-25A | 883.60 | 959.20 | 75.60 | 0.42 | 0.99 | 2.70 |
| K-13-25A | 1158.40 | 1334.40 | 176.00 | 0.62 | 0.28 | 1.80 |
| K-13-25A | 1158.40 | 1224.40 | 66.00 | 1.02 | 0.46 | 2.50 |
| K-13-25B | 878.80 | 938.80 | 60.00 | 0.60 | 0.36 | 2.60 |
| K-13-25B | 1035.10 | 1106.80 | 71.70 | 0.57 | 0.20 | 1.40 |
| K-13-25C | 1103.00 | 1230.10 | 127.10 | 0.75 | 0.47 | 1.70 |
| K-13-26 | 1029.40 | 1184.80 | 155.40 | 0.28 | 0.11 | 1.30 |
| K-13-26 | 1035.30 | 1059.30 | 24.00 | 0.49 | 0.15 | 1.50 |
| K-13-28 | 710.00 | 739.10 | 29.10 | 0.60 | 2.04 | 11.63 |
| K-13-28 | 904.00 | 1012.40 | 108.40 | 0.75 | 0.59 | 3.23 |
| K-13-28A | 886.40 | 1043.40 | 157.00 | 0.50 | 0.56 | 2.50 |
| K-13-28A | 907.90 | 974.50 | 66.60 | 0.65 | 0.71 | 3.10 |
| K-13-28B | 883.60 | 1022.40 | 138.80 | 0.68 | 0.43 | 2.10 |
| K-13-28B | 894.70 | 949.40 | 54.70 | 0.81 | 0.50 | 2.10 |
| K-13-29 | 572.40 | 810.40 | 238.00 | 0.89 | 0.55 | 1.39 |
| K-13-29 | 641.70 | 710.40 | 68.70 | 1.78 | 1.14 | 2.06 |
| K-13-30 | 326.00 | 645.70 | 317.70 | 0.53 | 0.33 | 1.00 |
| K-13-30 | 524.20 | 590.60 | 66.40 | 1.19 | 0.80 | 1.70 |
| K-13-31 | 421.90 | 670.40 | 248.50 | 0.77 | 0.39 | 2.00 |
| K-13-31 | 519.20 | 624.40 | 105.20 | 1.11 | 0.66 | 2.20 |
| K-13-31A | 450.40 | 704.40 | 254.00 | 0.77 | 0.52 | 2.40 |
| K-13-31A | 1105.20 | 1143.40 | 38.20 | 0.68 | 0.43 | 1.60 |
| K-13-32 | 535.00 | 654.00 | 119.00 | 0.71 | 0.40 | 2.10 |
| K-13-32 | 562.60 | 596.80 | 34.20 | 1.53 | 0.69 | 4.50 |
| K-13-32A | 449.00 | 616.00 | 167.00 | 0.63 | 0.37 | 2.00 |
| K-13-32A | 496.00 | 1136.50 | 640.50 | 0.85 | 0.42 | 1.90 |
| K-13-32A | 520.50 | 584.00 | 63.50 | 1.03 | 0.56 | 3.00 |
| K-13-32A | 581.00 | 729.70 | 148.70 | 1.86 | 0.89 | 4.50 |
| K-13-32A | 678.50 | 729.70 | 51.20 | 3.07 | 1.47 | 6.00 |
| K-13-35 | 449.90 | 775.30 | 325.40 | 0.70 | 0.30 | 3.10 |
| K-13-35 | 492.40 | 551.00 | 58.60 | 1.78 | 0.54 | 8.10 |
| K-13-36 | 406.00 | 795.80 | 389.80 | 0.69 | 0.43 | 1.20 |

The 2013 drilling was designed to cross cut the west dipping mineralized system and the reported intervals are believed to approximate true widths.

The extents of the drilled area in the Deep Kerr zone are approximately 1,600m north-south, 600m east-west, and 1,200m vertical. The zone remains open in to the north, south, and down-dip directions.

The sample preparation, analytical methods, sample security and quality assurance/quality control procedures followed are essentially the same as Seabridge's previous programs, as described above.

*Project Status*

The newly discovered Deep Kerr zone will continue to be explored with a modest drilling program designed for the 2014 field season. The proposed program will utilize directional drilling methods like those used in 2013 to examine mineralized continuity in several key locations and will also attempt to extend the mineralized system to the north.

Geotechnical and preliminary bulk underground mining studies will continue to evaluate whether Deep Kerr could be mined using block caving methods. Several large consulting companies will conduct those studies. In addition, avalanche control studies will be undertaken during the 2014 field season.

Metallurgical testwork will continue to assess metallurgical performance and investigate potential flowsheet designs using Deep Kerr drill core. An additional six composites have been prepared from 2013 Deep Kerr drill core. These composites were selected to represent different geological regimes and different head grades from which copper head grade and recovery data could be developed for a Deep Kerr metallurgical model. Preliminary results indicate that Deep Kerr mineralized rock with copper grades around 0.5% copper, will produce copper recoveries in the range of 88 to 90 percent. Higher grade material, exceeding 1.0% copper, should produce copper recoveries in the range of 90 to 93 percent. Gold recoveries should vary between 60 to 70 percent depending upon gold head grades. Four of the Deep Kerr composites have Bond grinding work indices averaging 14.1 kWh/tonne and compares with the Mitchell open pit material at 14.5 kWh/tonne. This early test work has not indicated any significant or unexpected metallurgical issues with processing of Deep Kerr material.

No specific action has been taken at this time regarding environmental studies or permitting activities associated with the newly discovered Deep Kerr zone. However, Seabridge has been diligently working on various environmental and permitting activities for the greater KSM project.

*Conclusions*

Based on the current drill hole spacing, the Deep Kerr zone displays excellent continuity of grade both vertically and laterally within the deposit. Currently the deposit is open to the north and down dip, supporting the potential for an increase in the size of the deposit. The recent identification of a higher grade core zone of copper mineralization could result in an increase of resource grade if the current geologic and mineralogical models are confirmed by additional drilling.

Drilling completed to date on the Deep Kerr zone indicates vertical zonation of sulfide minerals within the deposit and suggests that higher grade bornite could become more abundant than chalcopyrite down plunge. The geological model for Deep Kerr defines a broad zone of altered rock that is about 600 meters wide and interpreted to be a relict intrusion. Intensive alteration within this unique lithological zone contains the same alteration mineralogy seen elsewhere in the district along with abundant anhydrite and magnetite. Coincident with this alteration, broad overlapping quartz stock work veins are dominated by chalcopyrite and locally bornite. The characteristic that distinguishes this zone from other KSM deposits is that pyrite is markedly decreased relative to copper-bearing minerals. These characteristics form a mineralized envelope that is consistent with a deep porphyry core deposit.

In preparing the resource estimate Deep Kerr was treated as a block cave (bulk underground) mining target. The lateral and steep vertical continuity of the zone provides a geometric configuration that is likely to be amenable to these mining methods. At this time, the Deep Kerr deposit is being evaluated as a stand-alone occurrence. Additional drilling and advanced engineering studies will be required before it is possible to evaluate whether or not Kerr and Deep Kerr could be combined into a single underground operation.

Preliminary metallurgical results indicate that Deep Kerr mineralization grading approximately 0.5% copper could produce copper recoveries in the range of 88 to 90 percent. Higher grades exceeding 1.0% copper, could potentially produce copper recoveries in the range of 90 to 93 percent. Initial testwork suggests that gold recoveries could vary between 60 to 70 percent depending upon gold head grades. Four of the Deep Kerr metallurgical composites have Bond grinding work indices averaging 14.1 kWh/tonne, which is slightly higher than testwork conducted with samples from the shallower Kerr open pit deposit which has Bond grinding Work Indices of 13.9 kWh/tonne. This early test work has not indicated any significant or unexpected metallurgical issues with processing of Deep Kerr mineralization.

*Recommendations*

- Conduct a Phase 1 drilling campaign at Deep Kerr consisting of 15-20 diamond core holes totaling around 15,000 to 20,000 metres. This program would have two primary objectives: 1) test the continuity of mineralization both up and down dip in several key areas and 2) attempt to extend the mineralized system to the north. The cost for this program is estimated to range between US$5.25 and US$7 million.

- If the Phase 1 drilling program is successful additional drilling will be required to upgrade the current Deep Kerr Inferred Resource. A drill hole spacing ranging between 75m and 100m will be required to upgrade the current Inferred Resource to Indicated. The cost for such a program is estimated to range between US$10 and US$20 million but this recommendation is totally dependent upon the results of the Phase 1 program.

- Continue with geotechnical and underground mining studies to determine whether the Deep Kerr zone could be mined by block caving methods. A trade off study should be undertaken to determine the optimal mining method for the entire Kerr deposit. The cost for this activity is estimated to range between US$500,000 and US$1,000,000;

- Evaluate metallurgical recovery and potential processing methods for Deep Kerr mineralization using drill hole core previously collected from the zone. The cost for this activity is estimated to range between US$300,000 and US$600,000;

- Conduct avalanche control studies along the north facing slope of the Kerr deposit to see if measures could be taken to mitigate that danger so that the drilling season could be extended for exploring the Deep Kerr zone. The cost for this activity is estimated to range between US$150,000 and US$250,000;

- Send approximately 100-200 original pulps from the 2013 Deep Kerr drilling campaign to an accredited lab to investigate the apparent bias in copper assaying. A variety of copper grade ranges should be selected for this comparison;

- Obtain another source of "barren" material to submit as blanks for quality assurance/quality purposes. The current barren material used by Seabridge (Blank 5 and Blank 7) may contain low levels of copper which adds enough "noise" to complicate determining sample quality. The estimated cost of obtaining another source of blank material is estimated to range between US$2,500 to US$5,000.

**Environmental Assessment Application/Environmental Impact Statement**

In early 2013 the KSM Project also achieved another significant milestone in its development with the filing of its provincial EA Application for an Environmental Assessment certificate and its federal EIS.

In the years leading up to submission of the EA Application/EIS, Seabridge undertook extensive community engagement with the Nis ga'a Nation, Aboriginal groups, public and stakeholders to provide information on the KSM Project and obtain feedback. Components of this program included site visits to operating and closed mines similar in size to KSM to highlight proposed project details, numerous site visits to the KSM Project area, meetings with the Nisga'a Nation, aboriginal and local government elected officials and public open houses. In addition, Seabridge has participated in a number of working group meetings with Canadian federal and provincial regulators, U.S. federal and Alaska State regulators and aboriginal groups to review the project in detail as it has evolved. In general, public feedback on the project has been constructive and input from this community engagement process has been used to make significant design changes to the project including:

- Isolating and lining a portion of the proposed tailing management facility to contain the tailings that will result from the precious metals carbon leach circuit;
- Re-routing proposed access from Highway 37 to the proposed process facility and tailing management area to avoid potential impacts on fisheries;
- Relocating all discharges from the tailings management facility to protect sensitive fish habitats;
- Shifting from open pit to underground panel cave mining in the later years for the Mitchell deposit and also block caving the Iron Cap deposit. Underground mining is expected to reduce waste rock storage by more than two billion tonnes, resulting in significantly less potential environmental impact;
- Implementing a state of the art Selenium water treatment strategy to maximize environmental protection; and,
- Removing planned surface infrastructure associated with the Mitchell Treaty Tunnel at the Saddle area and placing it underground to minimize surface disturbance and facilitate wildlife access.

In addition, as the Issuer progressed through preparation of the material for the EA Application/EIS it made changes to the Project design set forth in the 2012 KSM PFS Report in order to reduce its environmental impact, including:

- Eliminating the Sulphurets rock storage facility;
- Isolating Kerr waste rock in the mined out Sulphurets pit;
- Relocating the intake of the Mitchell diversion tunnels further upstream so that water intake is from an area of unaltered bedrock; and
- Increasing the capacity of the water treatment facility so that the volume of discharge from the facility will mimic the natural hydrograph.
- Adding a Selenium water treatment facility.
- Storing Kerr waste rock within the mined out Sulphurets pit.

The KSM Project went through a joint environmental assessment as mandated by the Canadian *Environmental Assessment Act* and the British Columbia *Environmental Assessment Act*. The EA Application was accepted into formal review under the British Columbia *Environmental Assessment Act* in early June of 2013 and an Environmental Assessment Certificate was issued under that Act in July, 2014 approving the EA Application. In December 2014 the Federal Minister of the Environment issued a positive project decision. In 2015 work in respect of complying with conditions under the approvals of its EA Application and its EIS began, including the completion of a pilot evaluation of a new process for the removal of selenium from waters from the KSM Project. The pilot plant test confirmed the technical feasibility of the treatment technology, reducing selenium concentrations in the test effluent to 1 ppb.

**2014 and 2015 Exploration**

Exploration activities at the KSM Project are being conducted by Seabridge personnel under the supervision of William E. Threlkeld, Senior Vice President of Seabridge. The following information regarding 2014 and 2015 exploration at KSM, but excluding the resource estimates, was prepared by or under the supervision of William Threlkeld, a qualified person for the purposes of NI 43-101. The resource estimates were prepared by RMI under the direction of Michael Lechner, who is independent of Seabridge and a Qualified Person as defined by National Instrument 43-101.

The primary focus of the 2014 exploration program was to expand the inferred resource found in 2013 at Deep Kerr and also to increase its average grade. The second objective was to test several more identified and highly prospective core zone targets which have the potential for large, high grade deposits similar to Deep Kerr, including the Iron Cap deposit at depth.

At Deep Kerr in 2014, a total of 12,900 meters in 13 core holes successfully expanded the known dimensions of the deposit along strike to the north and south as well as at depth. Drilling also confirmed the geological and resource models developed following the 2013 discovery program.

Two holes (K-14-25D and 28C) were drilled into the existing resource to evaluate the performance of the model and the results showed mineralized intervals consistent with those predicted by the model (differences in copper grades ranging from -12% to +30%).

The northernmost drill holes in the 2013 program intersected well mineralized intrusive rocks. Three additional sections were completed in 2014 year at 140 meter intervals stepping north from the 2013 data. Mineralized zones consistent with the Deep Kerr deposit model were encountered in the first two cross section step-outs (holes K-14-39, 43, 44 and 48), 280 meters north of previous drilling. On the northern most section (holes K-14-41 and 41A), a large interval of post mineral intrusive rock was intersected. The high-grade Deep Kerr structures elsewhere are bounded by, or coincident with, fault structures which remain open along strike. It is not known if the Deep Kerr mineralization continues north of this intrusion.

Three drill holes (K-14-34A, 40 and 45) were targeted to provide mineralogical zoning indicators and extend the depth projection of the Deep Kerr zone. Holes K-14-34A and 45 were setup to drill down the interpreted Deep Kerr zone and encountered long sections of the mineralized zone, however, this orientation was difficult to maintain and technical limitations terminated the holes before reaching the limits of the deposit. These two holes therefore bottomed in strong mineralization. Hole K-14-40 was drilled perpendicular to the zone. These tests confirm that the Deep Kerr zone plunges west-northwest and continues to at least 1350 meters below surface.

In 2013, the south limit of the Deep Kerr deposit was provisionally established at the southernmost drill hole (K-13-26) in the zone at that time. As the 2014 program progressed, it became clear the southern boundary was arbitrary. Two drill holes were completed to confirm a southern extension, one hole (K-14-42) at the southern limit of the 2013 resource model and one hole (K-14-46) 550 meters beyond the 2013 model. These holes confirm significant strike potential but additional drilling is required to extend the resource model and establish the grade distribution.

The following table provides the final assay results from the 2014 holes drilled at Deep Kerr:

**2014 Deep Kerr Intersections**

| Drill Hole ID | Total Depth | Target | From (meters) | To (meters) | Interval (meters) | Gold (g/T) | Copper % | Silver (g/T) |
|---|---|---|---|---|---|---|---|---|
| K-14-25D | 1515 | Model Confirmation | 910.4 | 1011.4 | 101.0 | 0.29 | 0.37 | 2.2 |
| | | | 1025.3 | 1133.4 | 108.1 | 0.21 | 0.35 | 2.1 |
| | | | 1185.6 | 1231.0 | 45.5 | 1.25 | 0.06 | 17.1 |
| | *including* | | 1300.8<br>1300.8 | 1486.4<br>1350.1 | 185.6<br>49.3 | 0.18<br>0.31 | 0.47<br>0.53 | 2.2<br>2.8 |
| K-14-28C | 1306 | Model Confirmation | 900.0 | 1257.4 | 357.4 | 0.50 | 0.63 | 1.9 |
| | *including* | | 900.0 | 979.4 | 79.4 | 0.84 | 1.15 | 3.0 |
| K-14-39 | 1272 | North Strike Extension | 508.0 | 694.4 | 186.4 | 0.19 | 0.43 | 1.0 |
| | | | 781.4 | 945.4 | 164.0 | 0.34 | 0.33 | 1.0 |
| | *including* | | 945.4<br>963.4 | 1197.4<br>1106.4 | 252.0<br>143.0 | 0.55<br>0.68 | 0.69<br>0.81 | 1.4<br>1.7 |
| K-14-41 | 1080 | North Strike Extension | 636.2 | 682.3 | 46.1 | 2.35 | 0.19 | 1.4 |
| | | | 821.4 | 965.5 | 144.1 | 0.58 | 0.27 | 3.1 |
| K-14-41A | 1098 | North Strike Extension | 618.0 | 847.0 | 229.0 | 1.12 | 0.07 | 1.0 |
| K-14-43 | 1045 | North Strike Extension | 512.5 | 659.5 | 147 | 0.53 | 0.71 | 2.5 |
| | *including* | | 512.5 | 546.5 | 34 | 0.64 | 1.01 | 5.3 |
| | | | 689.5 | 757.5 | 68 | 0.31 | 0.31 | 0.8 |
| K-14-44 | 995 | North Strike Extension | 529.0 | 565.9 | 36.9 | 0.26 | 0.60 | 1.6 |
| | | | 580.1 | 676.8 | 96.7 | 0.28 | 0.39 | 0.9 |
| | | | 823 | 936.8 | 113.8 | 0.29 | 0.31 | 1.6 |
| K-14-48 | 1212 | North Strike Extension | 971.4 | 1161.3 | 189.9 | 0.35 | 0.36 | 1.1 |
| | *including* | | 971.4 | 1027.3 | 55.9 | 0.4 | 0.53 | 0.9 |
| K-14-34A | 1611 | Depth Projection | 450.0 | 806.4 | 356.4 | 0.19 | 0.62 | 2.0 |
| | *including* | | 697.4 | 744.5 | 47.1 | 0.33 | 1.01 | 3.0 |
| | | | 871.4 | 1608.4 | 737 | 0.36 | 0.59 | 1.1 |
| | *including* | | 915.4 | 1165.4 | 250 | 0.39 | 0.78 | 1.5 |
| | *including* | | 1551.4 | 1577.4 | 26 | 0.31 | 1.01 | 1.3 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| K-14-40 | 1011<br>including | Depth Projection | 704.4<br>794.6 | 926.3<br>918.9 | 221.9<br>124.3 | 0.24<br>0.29 | 0.45<br>0.54 | 1.5<br>1.8 |
| K-14-45 | 1131 | Depth Projection | 271.4 | 368.4 | 97.0 | 0.26 | 0.48 | 1.4 |
| | *including* | | 400.4<br>831.7 | 1123.0<br>1117.4 | 722.6<br>285.7 | 0.36<br>0.51 | 0.59<br>0.77 | 2.6<br>3.8 |
| K-14-42 | 951 | South Extension | 486.9 | 536.0 | 49.1 | 0.28 | 0.86 | 3.3 |
| | | | 639.8 | 661 | 21.2 | 1.28 | 0.05 | 7.5 |
| | | | 678.5 | 738.9 | 60.4 | 0.28 | 0.67 | 2.8 |
| K-14-46 | 790<br>*including* | South Extension | 193.0<br>193.0 | 344.4<br>241.4 | 151.4<br>48.4 | 0.17<br>0.26 | 0.36<br>0.43 | 1.7<br>2.5 |

The holes drilled to test the model and the north and south extensions and Hole K-14-40 were drilled in an orientation designed to intersect the mineralized zone perpendicular to the strike and accordingly such intervals are believed to approximate true widths of the mineralized zone. Holes K-14-34A and 45 were drilled to test the depth projections, were not designed to evaluate the true thickness of the mineralized interval and the width of these zones is indicated from previous drilling at between 150 and 300 meters.

At Iron Cap, drilling has confirmed a major new gold-copper occurrence beneath the Iron Cap deposit, referred to as the Iron Cap Lower Zone. Drilling below the Iron Cap deposit in 2013 obtained promising results, particularly IC-13-49 which returned 207 meters of 1.22 g/T gold. However, 2013 drilling did not test the width and strike of the projected core zone due to a lack of suitable drill pad locations. Holes in the 2014 program have been designed to cut across the projected core zone at Iron Cap to determine the width and strike of the zone using advanced steering equipment capable of altering the orientation of the drilling as it progresses. These new holes indicate that the Lower Zone has excellent size and continuity as well as higher grades than the Iron Cap deposit above it.

The Iron Cap Lower Zone is a series of related, intermediate-composition intrusions, each with a unique alteration mineral assemblage including potassic, phyllic, and silicic alteration, all of which contain copper, gold and silver. Drill holes that targeted the southwestern and southeastern strike projections of the target zone (IC-14-053, 054, 054A, 055 and 057) penetrated numerous intrusive events where variable grade is enhanced in the contact zones between these intrusions. Holes IC-14-53 and 54 demonstrate the intensive and extensive potassic alteration, characterized by secondary orthoclase and abundant quartz-feldspar-sulfide veins, which confirm the presence of a core zone and should lead to better grades at depth. The holes drilled along the northern strike projection (IC-14-056, 058, 059, 060, 061) encountered more consistent intrusive rock with much less grade variability. Hydrothermal alteration in these holes to the north exhibit vertical continuity over the 1,000 meters tested so far, indicating significant potential at depth, particularly down an apparent north-northwest plunge. Future work at Iron Cap will focus on this orientation to look for more of the higher grade material found in IC-14-059.

Drill hole IC-14-61 approaches to within 1,000 meters of the proposed Mitchell-Treaty Twin Tunnel alignment, potentially making the Iron Cap Lower Zone an attractive early development option with potentially lower capital and operating costs than other deposits at KSM which are further from key infrastructure.

The following table summarizes all the holes drilled into the Lower Zone. Holes drilled in 2013 and previously released are included to provide a more complete picture of the deposit and its emerging resource potential. New drill data is separated in the table to ensure clarity.

**Iron Cap Lower Zone Intercepts**

| Drill Hole ID | Total Depth | From (meters) | To (meters) | Interval (meters) | Gold (g/T) | Copper % | Silver (g/T) |
|---|---|---|---|---|---|---|---|
| **2013 Drill Results** | | | | | | | |
| IC-13-48 | 1011 | 346.5 | 839.8 | 493.3 | 0.30 | 0.30 | 3.2 |
| | including | 346.5 | 425.4 | 78.9 | 0.72 | 0.37 | 5.4 |
| IC-13-49 | 1035 | 9.0 | 1032.4 | 1023.4 | 0.77 | 0.24 | 5.2 |
| | including | 485.2 | 692.4 | 207.2 | 1.22 | 0.45 | 4.5 |
| IC-13-50 | 432 | 286.0 | 321.0 | 35.0 | 1.38 | 0.38 | 9.7 |
| IC-13-51 | 1169 | 884.0 | 956.4 | 72.4 | 0.55 | 0.26 | 2.1 |
| IC-13-52 | 1071 | 308.4 | 506.4 | 196.9 | 0.34 | 0.44 | 2.3 |
| **2014 Drill Results** | | | | | | | |
| IC-14-53 | 1329.4 | 488.4 | 1002.4 | 514.0 | 0.68 | 0.30 | 5.2 |
| | including | 635.4 | 727.4 | 92.0 | 1.47 | 0.34 | 3.1 |
| IC-14-54 | 1107.0 | 322.4 | 832.5 | 510.1 | 0.41 | 0.28 | 10.5 |
| | including | 599.4 | 713.0 | 112.4 | 0.44 | 0.40 | 22.1 |
| | including | 717.6 | 832.5 | 114.9 | 0.61 | 0.20 | 3.6 |
| IC-14-54A | 1050 | 604.4 | 872 | 267.6 | 0.39 | 0.23 | 4.8 |
| | including | 823.8 | 852 | 28.2 | 1.20 | 0.29 | 1.7 |
| IC-14-55 | 624.3 | 193.6 | 253.2 | 58.6 | 0.37 | 0.29 | 3.1 |
| | including | 257.5 | 624.3 | 366.8 | 0.59 | 0.17 | 2.5 |
| | including | 331.0 | 375.3 | 44.3 | 1.02 | 0.24 | 2.1 |
| IC-14-56 | 1095.8 | 163.1 | 324 | 160.9 | 0.21 | 0.35 | 3.3 |
| | | 396.4 | 556.4 | 160.0 | 0.45 | 0.30 | 6.5 |
| | | 582.4 | 853.4 | 271.0 | 0.25 | 0.24 | 9.3 |
| | | 879.4 | 1095.8 | 216.4 | 0.46 | 0.16 | 2.5 |
| IC-14-57 | 927.4 | 176 | 600.2 | 424.2 | 0.40 | 0.22 | 4.0 |
| | *including* | 459.4 | 589.4 | 130.0 | 0.31 | 0.35 | 2.6 |
| IC-14-58 | 1143.3 | 5.9 | 802.4 | 796.5 | 0.39 | 0.22 | 4.8 |
| | *including* | 404.3 | 802.4 | 397.4 | 0.52 | 0.22 | 1.6 |
| | | 1001.3 | 1143.3 | 142.0 | 0.49 | 0.31 | 2.5 |
| IC-14-59 | 1032.0 | 1.6 | 159.0 | 157.4 | 0.45 | 0.38 | 4.4 |
| | | 178.7 | 771.4 | 592.7 | 1.14 | 0.37 | 3.7 |
| | including | 221.8 | 400.0 | 178.2 | 1.68 | 0.38 | 3.9 |
| IC-14-60 | 967.1 | 124 | 525.3 | 401.3 | 0.47 | 0.17 | 8.0 |
| | *including* | 256.0 | 286.0 | 30.0 | 1.15 | 0.27 | 40.6 |
| IC-14-61 | 1152.4 | 431.4 | 794.4 | 362.5 | 0.38 | 0.28 | 6.8 |
| | | 876.2 | 1152.4 | 276.2 | 0.46 | 0.31 | 2.0 |

Holes IC-14-53 and 54 were oriented to cross the structure at approximate right angles and therefore these two intercepts likely represent a close approximation to true width. The other 2014 holes listed above were drilled at several angles and directional drilling tools were used to modify the orientation of holes while in progress. The current evaluation cannot establish the extent to which these intercepts represent true thickness of the mineral zones. Sectional and three-dimensional modeling will be employed to refine the true thickness of this zone in preparation for a resource estimate. Lower Zone holes have generally been drilled at 150 to 200 meter spacings to support the resource estimation process. The upper portions of some of the these holes are within the proposed Iron Cap mine plan and are therefore already included in current reserves and resources.

The exploration drilling in 2014 was incorporated into KSM Project geologic models and the Issuer announced an updated resource estimate for the Deep Kerr deposit and an initial resource estimate for the Iron Cap Lower Zone in late March, 2015. The Deep Kerr resource estimate has been superseded by a resource estimate prepared after 2015 drilling. On March 25, 2015, the Issuer announced an inferred resource at the Iron Cap Lower Zone of 163.8 million tonnes averaging 0.59 g/T gold and 0.27% copper (3.1 million ounces of gold and 961 million pounds of copper). The Iron Cap Lower Zone resource estimates were prepared by RMI under the direction of Michael Lechner, who is independent of Seabridge and a Qualified Person as defined by National Instrument 43-101.

Resource estimates for the Iron Cap Lower Zone were confined to a geological model that was constructed around three distinct intrusions. The dimensions of these intrusions are about 350 meters by 750 meters and open at depth. It seems that the margins of these intrusions tend to control the distribution of higher gold and copper grades and may have provided metal to the surrounding wall rock, much of which is present in the Iron Cap resource estimate. The distinguishing characteristic of Lower Iron Cap is a zone of intensive silica alteration that seems to be spatially and temporally associated with clay dominant and sericite dominant alteration types. Mgnetite, biotite and orthoclase are commonly present in deeper quartz-sulfide veins, a relationship that implies vertical zonation and significant depth potential for the Iron Cap Lower Zone.

The geologic and grade models were setup with a block size of 15m x 15m x 15m. The primary constraints that were used to estimate block grades were various grade envelopes that were constructed by Seabridge's geologic staff. These independently constructed gold, copper, silver, and molybdenum grade shells were based on intrusive and structural contacts along with metal grades. A total of 20,952 meters of core drilling in 21 holes was completed during campaigns in 2013 and 2014 and provided coverage over the dimensions of the zone. As part of this drill testing program, intersections in the established reserve were tested against that model with predictable results.

Block grades were estimated at the Iron Cap Lower Zone by RMI using inverse distance weighting methods with 15 meter-long capped drill hole composites. Grade models were validated visually and by comparisons with nearest neighbor models. RMI reviewed the quality assurance/quality control protocols and results from Seabridge drilling and has concluded that the number and type of gold and copper standard reference materials (standards, blanks, and duplicates) were reasonable. Based on the performance of those standard reference materials, RMI believes that the Seabridge drill samples are reproducible and suitable for estimating mineral resources. In conjunction with the 21 Iron Cap Lower Zone drill holes, historical drill hole results from the Iron Cap porphyry deposit were used to refine estimated block grades for the upper segment of the resource.

Iron Cap Lower Zone was handled as a block cave (bulk underground) mining target, separate from the existing block cave reserve at Iron Cap. Seabridge worked with Golder Associates, a leading industry expert in underground mining, in both the original concept and this new resource. Golder produced several block cave optimizations on the block model prepared by RMI to establish conceptual draw point elevations at various NSR draw point shut-offs. A $20 NSR shutoff case generated a conceptual cave footprint that was extruded upward 500 meters. Resources were tabulated for this hypothetical block cave shape using various NSR cut-off grades, which is a common industry practice for this type of a deposit. A NSR cutoff value of $20 was used to tabulate resources as summarized in the table below. Evaluation of the economic potential of Iron Cap Lower Zone was based on metal prices of $3.30 per pound of copper, $1250.00 per ounce of gold, $23.00 per ounce of silver, $14.40 per pound of molybdenum and estimated metal recoveries from metallurgical test work. These metal prices are generally in line with, or lower than, the metal prices used by major mining companies for their current resource disclosure for similar types of projects at that time.

To insure that the Iron Cap Lower Zone resource does not overlap with the Iron Cap deposit reserves and resources which lie above and to the east of it, the previously reported Iron Cap resource blocks were segregated from this new inferred resource. The existing Iron Cap deposit was isolated from the new resource by constructing a three-dimensional solid within which resource and reserve blocks were uniquely identified and excluded from the Iron Cap Lower Zone resource estimate. This treatment is identical to that used on the Deep Kerr inferred resource.

**Iron Cap Lower Zone Undiluted Inferred Mineral Resources**

| NSR cutoff value ($/tonne) | Tonnes (000) | Copper Grade (%) | Copper (millions of lbs) | Gold Grade (g/T) | Gold (000 of ounces) | Silver Grade (g/t) | Silver (000 of ounces) | Moly (ppm) | Moly (000 of lbs) |
|---|---|---|---|---|---|---|---|---|---|
| 8.0 | 240,421 | 0.24 | 1,265 | 0.49 | 3,767 | 3.3 | 25,740 | 13 | 7,048 |
| 12.0 | 231,590 | 0.24 | 1,244 | 0.5 | 3,709 | 3.4 | 25,465 | 14 | 6,942 |
| 16.0 | 206,310 | 0.25 | 1,149 | 0.53 | 3,521 | 3.7 | 24,476 | 14 | 6,366 |
| **20.0** | **163,813** | **0.27** | **961** | **0.59** | **3,124** | **4.2** | **22,120** | **15** | **5,307** |
| 24.0 | 120,053 | 0.28 | 744 | 0.69 | 2,647 | 4.6 | 17,562 | 15 | 3,890 |
| 28.0 | 89,185 | 0.29 | 574 | 0.79 | 2,256 | 4.6 | 13,161 | 13 | 2,496 |
| 32.0 | 68,031 | 0.3 | 449 | 0.89 | 1,938 | 4.4 | 9,624 | 11 | 1,574 |

Note: These resource estimates have been prepared in accordance with NI 43-101. See “Cautionary Note to United States Investors”. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Inferred resources are based on limited geologic evidence and sampling. It is reasonably expected that the majority of inferred resources could be upgraded to indicated resources with continued exploration.

The table above reports undiluted inferred mineral resources above various NSR cut-off grades that are contained within a conceptual block cave shape. Further engineering work will optimize the cave height to enhance overall project economics and reduce dilution. Infill drilling within the currently recognized inferred resource will be required to allow for detailed block cave optimization and a more accurate assessment of dilution. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Inferred resources are based on limited geologic evidence and sampling. It is reasonably expected that the majority of inferred resources could be upgraded to indicated resources with continued exploration.

A potential significance of Lower Iron Cap lies in its proximity to the proposed Mitchell-Treaty Twin Tunnel alignment. Resources potentially could be readily accessed early in the mine schedule providing improved grades to the current production schedule.

The exploration program in 2015 had two main focuses, testing for a possible higher grade core zone beneath the Mitchell deposit and expanding the length and width of the block cave shapes that confine the March, 2015, resource estimate at Deep Kerr.

In the central part of the Mitchell deposit there is a zone of higher grade gold and copper and two initial holes were planned to drill test the plunge projection of this higher grade centre of Mitchell. The results of these two holes suggest that the Issuer is approaching a zone of higher-temperature and fluid flow that may offer even better grades but there is evidence of faulting which needs to be analyzed before the Issuer undertakes further drilling on this target. Accordingly, the Issuer decided to scale back the work at Mitchell until this analysis is completed. Nonetheless, the size and orientation of the drill intercepts, which extend 350 m down dip from the Mitchell reserve limit, support the potential for an expansion of the cost-effective block cave operation planned for the reserves above these new intercepts. The following table summarizes the drill hole intersections for the plunge projection of Lower Mitchell.

**2015 Mitchell Drill Results**

| Drill Hole ID | Total Depth | From (meters) | To (meters) | Interval (meters) | Gold (g/T) | Copper % | Silver (g/T) |
|---|---|---|---|---|---|---|---|
| M-15-130 | 1581.0 | 334.0 | 441.6 | 107.6 | 0.11 | 0.39 | 1.7 |
| | | 1207.4 | 1381.8 | 174.4 | 0.55 | 0.28 | 3.3 |
| | *including* | 1217.4 | 1296.3 | 78.9 | 0.73 | 0.40 | 4.8 |
| M-15-131 | 1674.0 | 253.0 | 444.5 | 191.5 | 0.14 | 0.34 | 1.6 |
| | | 1190.5 | 1357.5 | 167.0 | 0.81 | 0.25 | 5.0 |
| | *including* | 1248.5 | 1357.5 | 109.0 | 0.96 | 0.32 | 6.3 |

Drill holes were oriented using historical information and designed to intercept the mineralized target at right angles to the strike of the zone. The orientation will be refined with additional drilling but current information indicates the intervals listed above accurately reflect the true thickness of the mineralized zone.

At Deep Kerr, there were five drill holes completed into the west part of the Deep Kerr deposit in 2015, which were designed to establish dip continuity of the high-grade west limb of Deep Kerr. Hole K-15-49 is a step-out located 400 m down dip from hole K-14-45 and hole K-15-50 is about 350 m laterally and to the south of K-15-49. The other three holes reported are daughter holes that re-entered K-15-49 and K-15-50 before being wedged into new intercepts of the target zone. K-15-49A intersected the mineralized zone about 200 m above K-15-49 and roughly 200 m below the existing resource limit. K-15-49B was designed to penetrate the zone about 200 m north of K-15-49 and roughly 200 m above that hole. K-15-50A was drilled on the same section as K-15-50 and encountered the target zone about 250 m higher than K-15-50.

The following Table summarizes the drill hole intersections for the five holes drilled in 2015.

**2015 Deep Kerr Drill Results**

| Drill Hole ID | Total Depth | From (meters) | To (meters) | Interval (meters) | Gold (g/T) | Copper % | Silver (g/T) |
|---|---|---|---|---|---|---|---|
| K-15-49 | 1755.4 | 1152.3 | 1253.4 | 101.1 | 0.20 | 0.37 | 1.3 |
| | | 1272.0 | 1722.4 | 483.4 | 0.43 | 0.56 | 2.9 |
| | *including* | 1466.4 | 1716.4 | 250.0 | 0.49 | 0.70 | 3.7 |
| K-15-49A | 1710.4 | 1304.4 | 1644.2 | 339.8 | 0.53 | 0.60 | 3.1 |
| | *including* | 1358.2 | 1555.0 | 196.8 | 0.69 | 0.72 | 4.0 |
| K-15-49B | 1731.4 | 963.5 | 1020.1 | 56.6 | 0.67 | 0.12 | 7.0 |
| | | 1379.0 | 1461.6 | 82.6 | 0.43 | 0.55 | 3.3 |
| | | 1534.5 | 1668.9 | 134.4 | 0.20 | 0.45 | 1.4 |
| | *including* | 1574.0 | 1627.2 | 53.2 | 0.31 | 0.56 | 1.7 |
| K-15-50 | 1764.4 | 1430.4 | 1764.4 | 334.0 | 0.41 | 0.30 | 2.4 |
| | *including* | 1433.0 | 1598.4 | 165.4 | 0.56 | 0.27 | 3.1 |
| | *including* | 1659.4 | 1713.8 | 54.4 | 0.29 | 0.41 | 2.0 |
| K-15-50A | 1718.5 | 1246.5 | 1369.5 | 123.0 | 0.44 | 0.30 | 2.1 |
| | | 1452.5 | 1704.5 | 252.0 | 0.38 | 0.31 | 2.2 |
| | *including* | 1559.3 | 1620.5 | 61.2 | 0.63 | 0.42 | 3.1 |

Drill holes were designed to intercept the mineralized target at right angles to the strike of the zone and oriented using current and historical information. The true thickness of the mineralized zones may be refined with additional drilling but current information indicates that the intervals reported above approximate true thickness.

The shape of this zone continues to be highly favorable to underground bulk mining as it grows in size. The zone remains open along strike and at depth and future drill tests are expected to extend it further. However, the current focus is to better understand the evident improvement of grade at depth so as to direct future drilling into the highest grade material.

On March 8, 2016, the Issuer announced an updated inferred resource estimate for the Deep Kerr deposit of 1.01 billion tonnes grading 0.53% copper and 0.35 g/T gold (11.3 million ounces of gold and 11.8 billion pounds of copper) that incorporated all drilling at Deep Kerr to that date. The resource estimates were prepared by RMI under the direction of Michael Lechner, who is independent of Seabridge and a Qualified Person as defined by National Instrument 43-101.

The geological model for the Kerr deposit that encompasses Deep Kerr is a north-south trending, steep westerly dipping, tabular intrusive complex with a horizontal extent of 2,400 meters and a vertical extent of at least 2,200 meters. The complex includes higher grade east and west limbs that may coalesce near surface. The west limb is up to 500 meters thick, and the east limb up to 300 meters thick. Drilling in 2015 focused on the west limb, successfully confirming continuity of mineralization, as predicted by modeling, and extending the west limb dip projection over 400 meters along a strike length of almost 500 meters. These holes established the western limits of the system as a north-south trending normal fault that placed unaltered fine-grained sedimentary rocks against the mineralized intrusive complex. East of this fault, the mineral system consists of several intrusive bodies, emplaced into an Early-Jurassic sedimentary sequence, with all these rocks containing varying copper and gold grades that warrant further exploration.

Gold and copper grades were estimated by RMI using inverse distance weighting methods within geologically constrained gold and copper grade domains constructed for the Deep Kerr zone. Trend plane search strategies were defined for four distinct structural domains. Copper and gold domains were similar to those used in the end-of-year 2014 resource model that was also prepared by RMI; confirmation drilling during the 2015 campaign corroborated the major controls on copper and gold distribution and the predictability of the resource model.

The grade models were validated visually and by comparisons with nearest neighbor models. The drill hole database that was used for the estimate of the Deep Kerr mineral resources consisted primarily of data collected by Seabridge from 72 core drill holes totaling more than 67,000 meters completed between 2009 and 2015. RMI reviewed the quality assurance/quality control protocols and results associated with the Seabridge drilling and has concluded that the number and type of gold and copper standard reference materials (standards, blanks, and duplicates) were reasonable. Based on the performance of those standard reference materials, RMI believes that the Seabridge drill samples are reproducible and suitable for estimating mineral resources. Historical drill hole results were used in conjunction with the 72 Seabridge core holes to estimate block grades for the upper portion of the Deep Kerr resource.

Block NSR values were calculated by Moose Mountain Technical Services using metal recovery projection formulae developed by TetraTech from metallurgical test work. This NSR value, stated in terms of Canadian dollars, reflects metal prices, a US/Cdn currency exchange rate of 0.83, and offsite transportation, smelting, and refining charges.

Deep Kerr was treated as a potential block cave (bulk underground) mining target. The lateral and vertical continuity of the zone provides a geometric configuration that is likely to be amenable to these mining methods. Seabridge has retained Golder Associates, a leading industry expert in underground mining, to undertake bulk underground mining studies for Deep Kerr. Golder produced several block cave optimizations on the block model prepared by RMI to establish separate draw point elevations at various NSR draw point shut-offs. A Cdn$24 NSR shut-off case generated four conceptual cave footprints that were each extruded upward approximately 500 m. Resources were tabulated for each of the four hypothetical draw point elevations using various NSR cut-off grades, which is a common industry practice for this type of a deposit. A NSR cut-off value of Cdn$24 was used to tabulate resources, consistent with prior years use of a US$20 cut-off value and a 0.83 US/Cdn$ exchange rate. Evaluation of the economic potential of Deep Kerr was based on metal prices of US$3.00 per pound of copper, US$1300 per ounce of gold, US$20 per ounce of silver, US$9.70 per pound of molybdenum together with estimated metal recoveries from metallurgical test work. These metal prices are generally in line with, or lower than, the metal prices used by major mining companies for their current resource disclosure for similar types of projects.

The Deep Kerr undiluted inferred mineral resource at various NSR cutoff values are tabulated below:

**Deep Kerr Undiluted Inferred Mineral Resources**

| NSR cutoff value (C$/tonne) | Tonnes (000) | Copper Grade (%) | Copper (millions of lbs) | Gold Grade (g/T) | Gold (000 of ounces) | Silver Grade (g/T) | Silver (000 of ounces) | Moly (ppm) | Moly (000 of lbs) |
|---|---|---|---|---|---|---|---|---|---|
| 8.0 | 1,570,700 | 0.41 | 14,193 | 0.29 | 14,645 | 1.8 | 90,898 | 24 | 83,084 |
| 12.0 | 1,455,200 | 0.43 | 13,791 | 0.31 | 14,504 | 1.8 | 84,214 | 25 | 80,182 |
| 16.0 | 1,309,200 | 0.46 | 13,273 | 0.32 | 13,469 | 1.8 | 75,765 | 26 | 75,022 |
| 20.0 | 1,168,000 | 0.50 | 12,871 | 0.34 | 12,768 | 1.9 | 71,349 | 27 | 69,505 |
| **24.0** | **1,008,200** | **0.53** | **11,777** | **0.35** | **11,345** | **2.0** | **64,829** | **27** | **59,996** |
| 28.0 | 831,600 | 0.58 | 10,631 | 0.38 | 10,160 | 2.1 | 56,147 | 28 | 51,320 |
| 32.0 | 692,300 | 0.63 | 9,613 | 0.40 | 8,903 | 2.1 | 46,742 | 28 | 42,723 |

Note: These resource estimates have been prepared in accordance with NI 43-101. See “Cautionary Note to United States Investors”. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Inferred resources are based on limited geologic evidence and sampling. It is reasonably expected that the majority of inferred resources could be upgraded to indicated resources with continued exploration.

The line in bold in the table above represents the updated undiluted inferred mineral resource tonnes, grade, and contained metal at Cdn$24 cut-off within four footprints that were extruded approximately 500 meters vertically. The tonnes, grade, and contained metal for the other NSR cut-offs are shown to provide a relative sense of the distribution of materials within the conceptual block cave shapes. Mineral resources which are not mineral reserves do not have demonstrated economic viability. Inferred resources are based on limited geologic evidence and sampling. It is reasonably expected that the majority of inferred resources could be upgraded to indicated resources with continued exploration.

**Independent Geotechnical Review Board**

In January, 2015, the Issuer established an Independent Geotechnical Review Board ( **IGRB**) for the KSM Project to review and consider the Project’s Tailings Management Facility (**TMF**) and Water Storage Dam (**WSD**) with a focus on their structural stability and integrity. The IGRB is in place to provide independent, expert oversight, opinion and advice to Seabridge on the design, construction, operational management and ultimate closure of the TMF and WSD. The IGRB has unimpeded access to all technical data necessary to enable them to assess KSM’s TMF and WSD on an ongoing basis to ensure that these structures meet internationally accepted standards and practices which effectively minimize risks to employees, lands and communities.

There are four core members of the IGRB and four support members whose expertise will be called upon as needed. The IGRB comprises the following leading experts in their fields:

| Name | Education and Experience |
|---|---|
| Dr. Andrew Robertson (Chairman, Core Member) | B.Sc. in Civil Engineering, a Ph.D. in Rock Mechanics and 45 years of experience in mining geotechnics, of which 37 years were gained while practicing from his home base in Vancouver, Canada. |
| Dr. Gabriel Fernandez (Core Member) | Civil Engineer, M.S. in Soil, Ph.D. in Geotechnical Engineering and has over 40 years of experience. |
| Mr. Terry Eldridge (Core Member) | P.Eng., FEC and has over 30 years of experience in the investigation, design, construction and closure of mine waste management facilities. |

| Name | Education and Experience |
|---|---|
| Mr. Anthony Rattue (Core Member) | P.Eng. and has over 40 years of experience in geotechnical engineering. |
| Dr. Leslie Smith (Support Member) | Professor in the Department of Earth, Ocean and Atmospheric Sciences at the University of British Columbia, where he holds the Cominco Chair in Minerals and the Environment, and has 40 years of experience in hydrogeology in the topic areas of groundwater flow and contaminant transport, numerical modeling, groundwater – surface water interactions, and applications of hydrogeology in mining. |
| Dr. Ian Hutchison (Support Member) | Ph.D. in Civil Engineering and has over 40 years of experience in the planning design and construction of mining and heavy civil engineering facilities in North and South America and Southern Africa. |
| Mr. Jim Obermeyer (Support Member) | M.S. in Civil Engineering with a specialty in Geotechnical Engineering, a licensed professional engineer in Colorado, Arizona, New Mexico, Montana and Wyoming, and has 40 years of experience in Civil and Geotechnical Engineering and managing and coordinating multidisciplinary projects. |
| Dr. Jean Pierre Tournier (Support Member) | Ph.D. in Civil Engineering - Soil Mechanics and has 35 years of experience in the design and construction of hydroelectric developments. |

The IGRB met for the first time in March 2015 and the Issuer expects to release their initial report in the first half of 2016.

**Overview**

The Courageous Lake Project is a gold project located approximately 240 kilometers northeast of Yellowknife in the Northwest Territories, Canada. The property is comprised of 61 federal mining leases, 26 federal mining claims and one optioned federal mining lease (Red 25, defined below) having a combined area of 124,189.9 acres. Seabridge has a 100% interest in the project, subject to a 2% NSR on certain portions of the property. The Project is located in the Slave Structural Province within the Courageous Lake greenstone belt ("**CLGB**"), which is a steeply east dipping homocline sequence of metavolcanic and metasedimentary rocks of the Yellowknife Supergroup. Felsic volcanic rocks and their intrusive equivalents in the CLGB were derived from peraluminous, sub-alkaline magmas of calc-alkaline affinity. These felsic volcanic lithologies are the predominant host of the FAT deposit.

The property lies in a historic mining district and includes two past producing gold mines. Year round access is available by air only, either by fixed wing aircraft to the airstrip at the former Salmita mine six kilometers to the south, or via float-equipped aircraft to several adjacent lakes. During mid-winter, access is available via a winter road which branches from the main Tibbitt to Contwoyto winter road.

Considerable exploration work was completed at the property before it was acquired by Seabridge in 2002. Seabridge has completed additional extensive exploration and development on the property, culminating in the preparation of a preliminary feasibility study in 2012. Since the preparation of the pre-feasibility study the focus of activities on the property has been on finding new deposits along the CLGB and, in March, 2014, the Issuer announced a resource estimate for a newly discovered higher grade deposit at Walsh Lake.

**Property Acquisition**

In May 2002, the Issuer entered into a purchase agreement with Newmont Canada Limited and Total Resources Canada Limited on the Courageous Lake project comprised of 17 mining leases covering 18,178 acres. The purchase by Seabridge closed on July 31, 2002. Under the purchase agreement, Seabridge paid Newmont/Total US$2.5 million in cash and granted them a 2.0% NSR and agreed that it would be liable to make two (2) further payments of US$1.5 million, each subject to the price of gold passing certain thresholds, for a 100% interest in the property. A further US$1.5 million was paid to Newmont/Total in March 2003 as a result of the spot price of gold closing above US$360 per ounce for 10 consecutive days. The final US$1.5 million was paid to Newmont/Total in February 2004 as a result of the spot price of gold closing above US$400 per ounce for 10 consecutive days. Upon acquiring the Courageous Lake project, Seabridge assigned its right thereto to its wholly owned subsidiary, Seabridge Gold (NWT) Inc. (formerly, 5073 NWT Ltd.). The obligations of Seabridge Gold (NWT) Inc. ("**Seabridge NWT**") under the agreement, including the payment of the royalty, is secured by a debenture under which the vendors have been granted a security interest in the Courageous Lake property.

In 2004, an additional property ("**Red 25**") was optioned in the area. Under the terms of the agreement, the Issuer paid $50,000 on closing and is required to make option payments of $50,000 on each of the first two anniversary dates and subsequently $100,000 per year. In addition, the Red 25 property may be purchased at any time for $1,250,000 with any option payments being credited against the purchase price. Subsequent to this acquisition, Seabridge staked contiguous open ground totaling an additional 49,133 acres in 42 mining claims of which a portion is subject to the terms of the purchase agreement with Newmont/Total, including the 2% royalty.

**Land Status**

As of December 31, 2015, the Courageous Lake property is comprised of 61 Federal mining leases, 26 Federal mining claims and one optioned Federal mining lease, having a combined area of 124,189.9 acres. Seventeen of the mining leases were acquired from Newmont/Total as described above. The mining leases are encumbered by two Royalty Agreements and two Debentures registered in favour of Newmont Canada Limited and Total, respectively. The property is subject to a 2 km area of interest from and parallel to all exterior boundaries of the mining leases.

The 26 Federal mining claims were staked on behalf of Seabridge NWT and are currently recorded 100% to Seabridge NWT (under its former name 5073 NWT Ltd.). There are no liens, charges or encumbrances registered against title to the staked mining claims.

The Red 25 mining claim was optioned by Seabridge NWT from Bathurst Inlet Developments (1984) Limited in 2004, through an Option to Purchase Agreement, wherein, Seabridge NWT may, subject to making yearly option payments or a lump sum payment totaling $1,250,000.00, purchase 100% of the mining claim. Until such time as Seabridge NWT has exercised the Option, ownership of the mining claim remains in the name of Bathurst Inlet Developments (1984) Limited. The Red 25 mining claim was converted to a mining lease on February 6, 2012.

**Courageous Lake Preliminary Feasibility Study of September 2012**

In 2011 the Issuer completed a Preliminary Economic Assessment of the Courageous Lake Project and, based on the results of this assessment, decided to engage independent consultants to prepare the first Preliminary Feasibility Study for the Courageous Lake Project. On September 5, 2012, a preliminary feasibility study for the Courageous Lake Project was completed by Tetra Tech, and incorporates the work of a number of independent industry-leading consulting firms. The preliminary feasibility study was revised and reissued on November 11, 2014 to also state the economic analysis therein on an after-tax basis. This revised reported has an effective date of September 5, 2012, is entitled “Seabridge Gold Inc. – Courageous Lake Prefeasibility Study” (the “**2012 CL PFS Report**”) and is available on SEDAR at www.sedar.com. The consultants and their responsibilities are as follows:

- Tetra Tech, under the direction of Dr. John Huang (overall report preparation, metallurgical testing review, mineral processing, infrastructures (excluding power supply and airstrip), operating costs (excluding mining operating costs), capital cost estimate and project development plan) and Dr. Sabry Abdel Hafez (financial evaluation)
- Moose Mountain Technical Services under the direction of Jim Gray (mining, mine capital and mine operating costs)
- W.N. Brazier Associates Inc. under the direction of W.N. Brazier (power generation)
- ERM Consultants Canada Ltd. under the direction of Pierre Pelletier (environmental matters)
- Golder Associates Ltd. under the direction of Albert Victor Chance (open pit slope stability)

- Tetra Tech EBA Inc. (EBA) under the direction of Nigel Goldup (tailings, surface water management and waste rock storage facilities, and surficial geology) and Kevin Jones (airstrip upgrade)
- SRK Consulting (Canada) Inc., under the direction of Stephen Day (metal leaching and acid rock drainage)
- Resource Modeling Inc. under the direction of Michael Lechner (mineral resources)

The following (to "*Recent Exploration*") summarizes information from the 2012 CL PFS Report. Since the date of the 2012 CL PFS Report, devolution of certain jurisdiction, including management of lands and water resources, from the federal government to the Northwest Territories government occurred in April, 2014 and, although the Issuer does not consider this material to the information regarding permits in the 2012 CL PFS Report, the regulatory authority involved will differ in certain cases from those specified in the 2012 CL PFS Report (and also as reflected in the summary below).

***Property Description and Location***

The Courageous Lake Property is located 240 km northeast of Yellowknife NWT, Canada and is approximately 124,190 acres. The property is situated within the Courageous Lake greenstone belt ("**CLGB**") in the Slave Structural Province. Figure 4 shows the location of the Courageous Lake Project.

The property is a collection of mineral leases and mining claims that trend north-south along the approximately 54 km length of the CLGB. The property includes the past gold producing properties of the Salmita mine operated by Giant Yellowknife Mines, and the Tundra mine operated by Royal Oak Mines.

Mining projects in the NWT are subject to regulation under federal and territorial legislation to protect workers, the environment, and surrounding communities. The principal licences and permits required for the Courageous Lake Project include completing the environmental assessment process under the Part 5 of the *Mackenzie Valley Resource Management Act* (Northwest Territories), a water licence and land use permit granted by the Mackenzie Valley Land and Water Board, stream crossing authorizations from Fisheries and Oceans Canada, an explosive factory licence and, possibly, an authorization for waste water disposal under the *Metal Mining Effluent Regulations* of the *Fisheries Act* (Canada). A more comprehensive list of licences and permits appears in the 2012 CL PFS Report.

***Accessibility, Climate, Infrastructure and Physiography***

Year-round access to the property is possible by air only, either by helicopter or fixed wing aircraft to the airstrip at Salmita (located 6 km to the south), or by fixed wing aircraft equipped with skis or floats to nearby lakes. In addition, access in mid-winter is possible over an approximately 35 km winter road, which branches off the main Tibbitt to Contwoyto winter road. There are no significant population centres near the property, outside of Yellowknife. All supplies need to be brought in either by air or by road during the winter months.

The overall topography of this area is very gentle and is characterized by rolling hills that range from 418 to 450 m in elevation above sea level. Typically, the maximum change in elevation is only about 30 m. Tundra type vegetation and small scrub brush dominate the areas between outcrops, particularly along the ridges in the southern edge of the property. The northern part of the property is dominantly flat with little or no outcrop.

Temperatures range from a monthly average of -31.1°C to +18.2°C; with an average daily mean temperature of -8.5°C. The annual average wind speed is 4.4 m/s with maximum gusts of 19.4 m/s. Precipitation at the Courageous Lake Project is relatively low, with the majority of precipitation occurring during the summer months. Total annual precipitation recorded at the site between 2010 and 2011 averaged 199.1 mm. Average monthly precipitation was 16.6 mm. Regionally, the average snow depth between October and April ranges between 7 and 31 cm at Cambridge Bay and between 2 and 39 cm at Yellowknife.

***Exploration History***

Gold was first discovered in the Courageous Lake area in the early 1940's. The Tundra deposit was discovered in 1944 and the Salmita deposit in 1947. Beginning in 1980, Noranda Exploration Ltd. initiated exploration in the Courageous Lake Volcanic Belt. Noranda's work resulted in the discovery of two gold deposits: the Tundra deposit (Main Zone) or Fat Zone, and the Carbonate Zone, which together form the Courageous Lake property. In 1988, Noranda made the decision to sink a shaft to provide access for conducting an underground definition drilling program and to be able to test gold grade and continuity.

In 1997, Placer Dome optioned the property with the concept of developing a bulk tonnage open pit deposit. To test that concept, Placer Dome carried out surface diamond drilling programs during the fall of 1997 and summer/fall of 1998. Placer Dome completed 13,345 m of drilling and other basic exploration work.

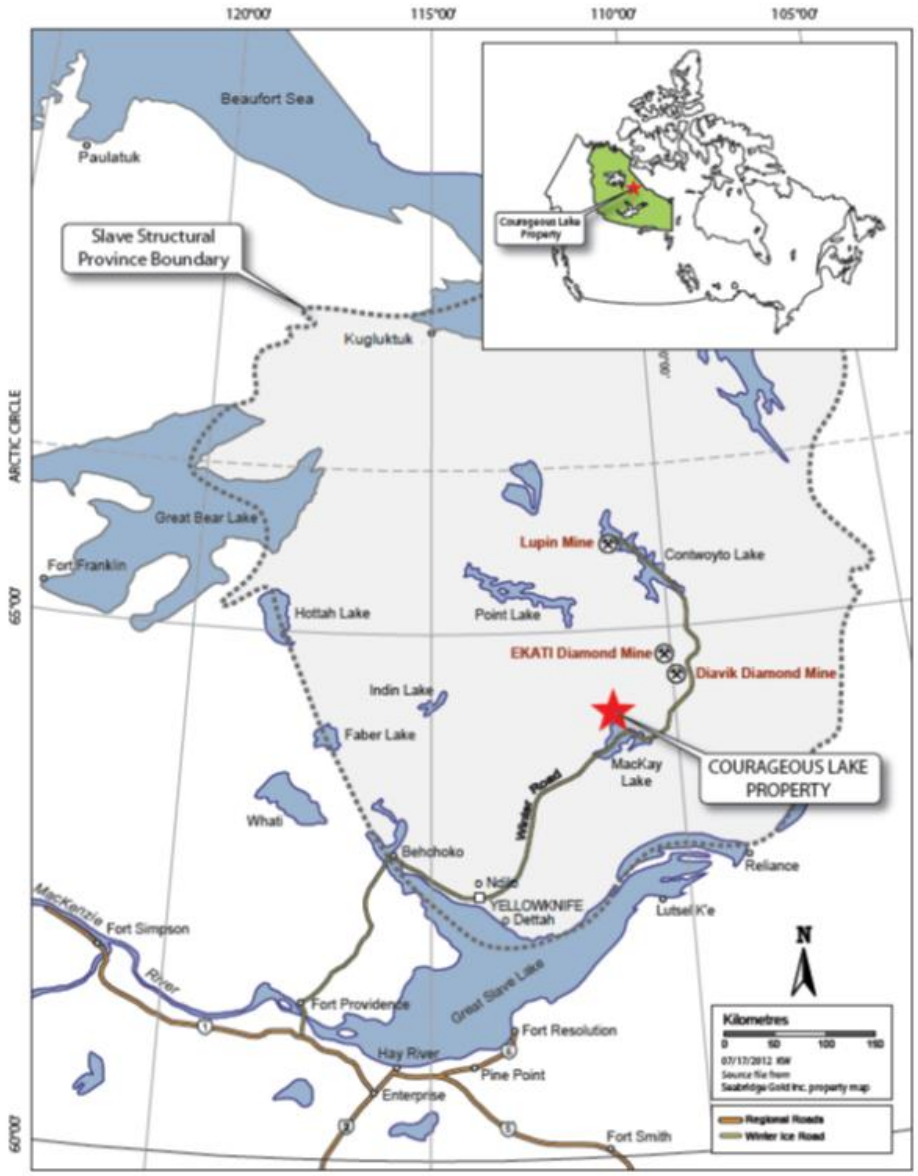
In June 2002, Seabridge purchased the property from the Newmont-Total Tundra Joint Venture.

During 2003, Seabridge designed and executed a work program on the Courageous Lake property with the goal of evaluating and prioritizing potential gold targets. Four targets were developed: South FAT Extension, Olsen Lake target, Walsh Lake target, and Salmita Mine target. These targets were selected as those that represented the highest probability to develop new resources for the Project.

In 2004, drill testing of selected priority targets was undertaken by Seabridge. The program was completed in two stages: initial testing for strataform gold concentrations similar to the FAT deposit and sectional drilling for potential resource additions. The initial program intended to test three target areas: Olsen Lake, Walsh Lake, and the South FAT Extension. Ground conditions precluded a test of the Walsh Lake target, but the other targets were tested. Results from the initial stage of the program led Seabridge to initiate sectional drilling on the South FAT Extension. Surface and initial drilling results indicated that 300 m of strike could be added to the FAT deposit with the completion of sectional drilling.

During the 2005 and 2006 field seasons, Seabridge drilled approximately 39 diamond core holes totalling 15,428 m. After directing its focus to the KSM Project during 2007-2009, the Issuer drilled 49 diamond core holes and 10 shallow core holes for geotechnical purposes, totalling about 22,400 m in 2010. In 2011, Seabridge drilled 52 diamond core holes totalling about 15,000 m. The focus of the 2011 program was to upgrade the inferred resources within the confines of a conceptual open pit that was defined in the Preliminary Economic Assessment of the Project prepared in 2011.

**Figure 4 – Location of Courageous Lake Project**




***Geology***

The Project is located within the CLGB, which is a steeply east dipping homocline sequence of metavolcanic and metasedimentary rocks of the Yellowknife Supergroup. The CLGB is bounded to the west by a sodic granite pluton, referred to as the Courageous Lake Batholith, and to the east by conformably overlying turbidite sequences. Dynamothermal regional metamorphism within the CLGB has created mineral assemblages indicative of mid-greenschist facies metamorphic grade. Lower amphibolite facies grade metamorphism has been identified north and south of the CLGB.

The volcanic material within the CLGB represents a tholeiitic to calc-alkaline suite of volcanic rocks common to many Archean greenstone belts. Uranium-lead dating and rubidium-strontium dating age determinations reveal an age of 2.66 Ga.

Felsic volcanic rocks and their intrusive equivalents in the CLGB were derived from peraluminous, sub-alkaline magmas of calc-alkaline affinity. These felsic volcanic lithologies are the predominant host of the FAT deposit.

Within the felsic volcanic rocks are abundant lense-shaped epiclastic intercalations that are thought to be derived from a tuffaceous source. The lithologies are tuffaceous greywacke, thinly laminated siltstone, and fine-grained arkosic sandstone.

The mineral domains or zones of the FAT deposit are defined by a discrete suite of hydrothermal alteration assemblages. The lateral continuity and stratigraphic thickness of the hydrothermal system indicates that the FAT deposit is robust in volume and durations. The predominant hydrothermal alteration minerals in the FAT deposit are illite group sheet silicates, referred to as “sericite”. Silicic alteration of varying intensity is ubiquitous throughout the defined mineralized zones and is represented by silica flooding of groundmass material in volcanic rock. Generally the most intense zones of silica alteration are not indicative of higher gold concentrations. Carbonate alteration is also quite ubiquitous and occurs as calcite, ankerite, and siderite.

***Mineralization***

Sulfide mineralogy in the FAT deposit is relatively simple and consists of pyrite, pyrrhotite, arsenopyrite, sphalerite, and chalcopyrite in decreasing order of abundance. While all of these minerals can be found in the mineralized zones, only arsenopyrite has a consistent correlative relationship to gold concentrations. Arsenopyrite occurs in three distinct habits: acicular disseminated crystals, anhedral disseminated clots, and euhedral crystals in fractures. The acicular variety tends to have the clearest association with higher-grade gold mineralization.

***Security of Samples***

The Issuer follows an ongoing and rigorous sample preparation, security, quality control/quality assurance protocol at its Courageous Lake project, including blank and certified reference standards inserted by the Company at a rate of not less than one of each type in every 30 samples. Repeats and re-splits of the sample rejects are being analyzed at a rate of not less than one sample in every 25 for each type. Cross-check analyses are being conducted at a second external laboratory on at least 10% of the samples. The details of these procedures are outlined in the 2012 CL PFS Report.

***Metallurgy***

Several major testing programs have been performed on the mineral samples from the property since 2003 as follows:

| Date | Consultant | Program |
|---|---|---|
| June 2003-July 2004 | SGS-Lakefield Research Ltd. | a comprehensive investigation into flotation and gravity concentration, flotation concentrate pre-treatments by bio-oxidation (BIOX) and pressure oxidation (POX), cyanide leaching, and POX slurry neutralization |
| 2007 | G&T Metallurgical Services Ltd. | focused on optimizing flotation performance |
| 2010 | SGS-Lakefield Research Ltd. | test work investigated the metallurgical responses of the various mineral samples collected in 2010 to flotation, POX, and cyanidation |
| 2011 | SGS-Lakefield Research Ltd. | test work investigated the metallurgical responses of the various mineral samples collected in 2011 to flotation, POX, and cyanidation |
| 2012 | G&T Metallurgical Services Ltd./ Sherritt Technologies | Further investigate flotation optimization, POX tests, cyanide amenability tests on the POX residues and cyanide destruction tests on the cyanide leach residues |

The Lakefield study revealed that the dominant sulfides in th e mineralization were arsenopyrite (<5-350 µm), pyrite (~5-350 µm), marcasite (20-350 µm), and pyrrhotite (~5-350 µm). The gold occurred as liberated gold, or associated with sulfides and silicates. Gold grain sizes ranged from microscopic invisible to 70 µm. The degree of the sulfide oxidation appeared to be very low. The G&T investigation indicated that between 43% and 54% of sulfides were liberated when the sample was ground to a particle size of 80% passing 165 µm.

These testing programs also determined mineral sample resistance to various comminution processes. The test work determined the Bond ball mill work index and hardness parameters related to SAG and HPGR crushing.

The grindability test results indicated that the sample is moderately hard for grinding by ball mills but is very hard for milling by SAG mills. The HPGR locked cycle tests showed that the gross specific energy requirement for particle size reduction by HPGR was 2.20 kWh/t with a specific throughput of 257 ts/hm3.

The mineralization responded well to flotation concentration. The various test programs produced very similar metallurgical performances. Gold recovery by flotation was high, ranging from 85 to 95%. The pressure oxidation ("**POX**") and cyanidation tests by Lakefield and Sherritt indicated a significant improvement in gold extraction when the flotation concentrate underwent a high degree of POX. The three separate testing programs by the two laboratories showed that over 98% of the sulfide sulfur can be oxidized with the standard conditions practiced in the POX industry. The test work indicated that gold extraction improved substantially with increasing sulfur oxidation. The Lakefield and Sherritt test results showed that the gold extractions from the POX residues varied from 94 to 99%.

Estimated average metallurgical performance according to the test results and the proposed mining plan are for gold recovery of 89.4%.

***Mineral Resources***

In late 2011 and early 2012, RMI constructed a new resource model incorporating 2011 drilling results and an updated geologic interpretation that was completed by Seabridge's geologic staff. Block gold grades were estimated using a series of nested inverse distance cubed interpolation runs within mineral zone wireframe boundaries. Additional constraints were implemented for the updated model using indicator probabilities and a more selective search strategy referred to as "dynamic anisotropy". The estimated block grades were classified into measured, indicated, and inferred categories using a combination of distance to drilling data, the number of drill holes used to estimate block grades, and a wireframe shape reflecting mineralized continuity. The following table summarizes the undiluted measured, indicated, and inferred mineral resources of the Courageous Lake deposit at a 0.83 g/t gold cut-off grade. The measured and indicated mineral resources in the Table below are inclusive of mineral reserves.

**Summary of Undiluted Gold Resources**

| **Measured** | | | **Indicated** | | |
|---|---|---|---|---|---|
| Tonnes (000's) | Grade (g/T) | Ounces (000's) | Tonnes (000's) | Grade (g/T) | Ounces (000's) |
| 13,401 | 2.53 | 1,090 | 93,914 | 2.28 | 6,884 |
| **Measured and Indicated** | | | **Inferred** | | |
| Tonnes (000's) | Grade (g/T) | Ounces (000's) | Tonnes (000's) | Grade (g/T) | Ounces (000's) |
| 107,315 | 2.31 | 7,974 | 48,963 | 2.18 | 3,432 |

Note: This table does not include the results of the 2012-13 exploration programs at the Courageous Lake Project. These resource estimates have been prepared in accordance with NI 43-101. See "Cautionary Note to United States Investors". Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Inferred resources are based on limited geologic evidence and sampling. It is reasonably expected that the majority of inferred resources could be upgraded to indicated resources with continued exploration.

***Mine Planning***

*Pit Limits*

MMTS has produced a series of LG pit shell optimizations for the Courageous Lake deposit using the resource model provided by RMI. The pit optimizations use mining, processing, tailing management, general and administrative (G&A) costs, and process metal recoveries. The processing cost includes a gold plant to produce doré on site. Only measured and indicated resource classes are used in the pit optimization.

Cut-off Grade is determined using an estimated Net Smelter Return (NSR) in Cdn$/t, which is calculated using Net Smelter Prices (NSP). The NSR (net of offsite refining charges and onsite mill recovery) is used as a cut-off item for break-even economic material selection. The NSP includes metal prices, US$ exchange rate, off-site transportation, and refining charges. The metal price used is US$1,244 per ounce and resultant NSP is Cdn$41.98 per gram.

The ultimate economic pit limit for the 2012 CL PFS Report is selected using the Base Case price described above. Typically a time discounted value analysis would be used on a project with a 15- to 20-year mine life to maximize the NPV and IRR. However, when this is done, deeper ore grade material is discounted more heavily and often the pit size is decreased. Even though a discounted value analysis could possibly improve the financial results of this prefeasibility-level study by limiting the mining to shallower ore, the discounted method was not chosen. Instead the larger, less economic, pit limit has been selected as a basis for this study to maximize the mineable resource in anticipation that future exploration will upgrade the inferred material internal in the pit, to a measured or indicated resource. Future studies will consider a time discounted economic pit analysis after the inferred material has been drilled.

The in-situ LG pit delineated resource summarized in the table below uses a NSR cut-off grade of Cdn$20.10 per tonne but does not include any mining dilution or mining loss.

**Measured and Indicated LG Pit Resources**

| In situ Pit Resources (Million tonnes) | Au (g/t) | Mine Rock (Million tonnes) | Strip Ratio |
|---|---|---|---|
| 86 | 2.35 | 935 | 10.8 |

The total in-situ metal contained in the chosen LG ultimate pit is estimated to be 6.5 Moz of gold. The mineral resources in the Table above are inclusive of mineral reserves.

*Mine Rock Management Facility*

The mine rock management facility for the Project is to be situated east of the pit area, and constructed using a combination of bottom-up and top-down methods. The proposed schedule of mine rock placement enables flotation tailing to be contained within the footprint of this facility. Allowances are made to address reclamation and post-closure requirements by configuring the constructed slopes at the overall reclamation slope angle. Leach residue tailing would be stored between the ultimate pit and immediately west of the mine rock management facility.

Overburden inside the ultimate pit limit is stripped and placed in the overburden stockpile to the west of the pit. This stockpile is used for reclamation material.

*Mining Operations*

Mining operations, methods, and equipment would be typical of open-pit mining in northern Canada. The Project would be a large-capacity operation that utilizes large-scale equipment for the major operating areas in order to generate high productivities, and reduce unit and overall mining costs. The maximum size of the large mining equipment would be constrained by the maximum loads, which can be delivered along the winter road.

Detailed pit phases are developed from the results of the LG sensitivity analysis, which integrates the detailed pit slope criteria and high wall roads. The ultimate pit is divided into smaller mining phases, or pushbacks, to enable a low strip ratio starter pit and to allow for more even waste stripping during the optimized scheduling stage of the project design.

Dilution and mining loss estimates consider the selective mining method required to efficiently extract the narrow near vertical lenses that characterize the Courageous Lake mineralized zones. Proven and Probable Reserves are estimated using diluted whole block grades with additional mining dilution and loss varying by the number of block model resource contact edges with waste blocks. Cut-off grade, mining dilution, loss, and dilution grades were estimated as follows:

**Cut-off Grade, Mining Dilution, Loss and Dilution Grades**

| Contact Edges | Cut-off Grade NSR ($/t) | Dilution (%) | Loss (%) | Dilution Grade (Au g/t) |
|---|---|---|---|---|
| 0 | 20.5 | 0 | 0 | 0.404 |
| 1 | 20.5 | 5 | 5 | 0.404 |
| 2 | 20.5 | 5 | 5 | 0.404 |
| 3 | 20.5 | 5 | 5 | 0.404 |
| 4 | 20.5 | 5 | 5 | 0.404 |

The grade of dilution material is derived from blocks in the model that are just below the specified cut-off grade. Internal dilution contained in the block model accounts for the rest of the expected mining dilution. Estimated proven and probable reserves are stated in the table below. The mineral reserves in the Table below are included in measured and indicated mineral resources stated elsewhere in this AIF.

**Proven and Probable Reserves**

| Class | Ore (Million Tonnes) | Au (g/t) | Contained Metal (Million Ounces) |
|---|---|---|---|
| Proven | 12.3 | 2.41 | 0.96 |
| Probable | 78.8 | 2.17 | 5.50 |

The production schedule has been developed using Mintec Inc.'s MineSight® schedule software. The mine plan and production schedule will undergo further refinement during higher levels of study for the Project. Additional geotechnical information on high wall capabilities should confirm the pit slopes and determine if the ultimate pit can be designed to a deeper depth. Further details on rock storage management, water management, and final land use will be developed for the Environmental Assessment application, the result of which will impact the mine plan. These elements, along with other optimization details, will need to be integrated into feasibility-stage mine planning.

***Mineral Processing***

The proposed process plant would process 17,500 tonnes per day of mineralization. The plant would be operated 365 days per year at an availability of 92%.

The flowsheet proposed for the Project includes HPGR/grinding comminution, conventional flotation, flotation concentrate POX, cyanidation, and gold recovery/refining circuits. The comminution consists of primary crushing by gyratory crusher, secondary crushing by cone crusher, and tertiary crushing by HPGR followed by ball mill grinding. The conventional flotation includes rougher flotation, scavenger flotation, and cleaner flotation on scavenger flotation concentrate. The rougher flotation concentrate together with the scavenger cleaner concentrate would be oxidized under pressure after being reground and acid preleached. A portion of the slurry and acid-bearing solution from the POX circuit would be recycled back to the POX pre-leaching. The slurry and the acid-bearing solution of the POX discharge would be separately neutralized. The POX residue or oxidized concentrate would be leached in a carbon-in-leach (CIL) circuit; the cleaner flotation tailing would be reground and cyanide leached together with the POX residue. Gold recovery is to be completed by stripping the loaded carbon from the CIL circuit, followed by electrowinning to produce gold doré as a final product. The flotation tailing and the cyanide residue is to be thickened and disposed of separately. The residual cyanide in the leach residue would be destroyed by a sulphur dioxide (SO2)/air oxidation procedure prior to disposal to the lined leach residue storage facility.

The HPGR circuit is recommended, instead of a SAG mill grinding arrangement, to reduce energy consumption.

***Mine Rock, Tailing, and Desalination Solids Management Facilities***

Mine rock and run-of-mine (ROM) waste products from the mining operations will comprise approximately:

- 1,142 Mt of mine rock
- 18 Mt of neutralized leach residue tailing, including the flotation tailing that is used for neutralizing the POX residue
- 73 Mt of flotation tailing
- 0.38 Mt of dry salt product from the pit depressurization desalination plant.

The tailing, residue, and mine rock is to be stored in a tailing/mine rock management facility on a flat open area, east of the open pit and south of Courageous Lake. In addition, the dry salt product (associated with the pit depressurization) is to be temporarily stored in encapsulated cells within a landfill located immediately west of pit.

The neutralized leach residue tailing is expected to be somewhat finer than the flotation tailing stream and is to be deposited into a containment structure east of the open pit. The tailing would be pumped as slurry to the storage facility. The neutralized leach residue containment structure would primarily be constructed from mine rock and would be lined.

The flotation tailing would be stored within the mine rock storage facility. The mine rock would form the primary containment structure and would be internally lined with crushed bedding and transition materials. Approximately 53.1 $Mm^3$ of flotation tailing would be disposed of in the tailing storage facility during the life of the mining operations.

Mine rock represents the largest waste stream from the mining operations with an estimated volume of 519 Mm3. The mine rock management facility is to be located to the east of the pit and would occupy an area of 660 ha. The mine rock would be directly hauled from the pit and end-dumped in 30 m lifts and the mine rock management facility would attain a final elevation of 570 m, which is equivalent to a height between 130-150 m. Seepage and runoff from this facility is to be collected and managed within the water storage pond.

Multiple options were investigated for potential saline water handling processes. It is currently proposed to treat the water using reverse osmosis and thereafter evaporate the concentrated brine to produce a dry salt product. It is proposed to temporally store this dry product in encapsulated cells within a landfill located immediately west of the pit. At the end of mining operations, this saline product is to be moved to the base of the pit prior to pit flooding.

Currently, Matthews Creek flows through the proposed open pit area so it will be necessary to divert the creek away from the open pit mining operations. In terms of the proposed mine infrastructure layout, a diversion channel options assessment determined that the most suitable routing for the diversion channel is approximately 1.5 km west of the existing Matthews Creek.

***Infrastructure***

Due to the remote location, the Courageous Lake Project requires its own power generation, a permanent camp, access by air and by winter road and warehousing and storage at site.

Site logistics include freight delivery over winter roads and air services for personnel and smaller freight components. To meet the Project's requirements, the existing airstrip will be upgraded to accommodate more frequent flights with larger aircraft in three phases. Currently, there is the Tibbitt to Contwoyto winter ice road connecting Yellowknife, NWT, with the Diavik and EKATI diamond mines. For the purposes of the 2012 CL PFS Report, it is assumed that the Project will use the existing winter road. Transport services along the ice roads are available on average for a period of nine weeks per year, generally starting from the last week in January until the first week in April.

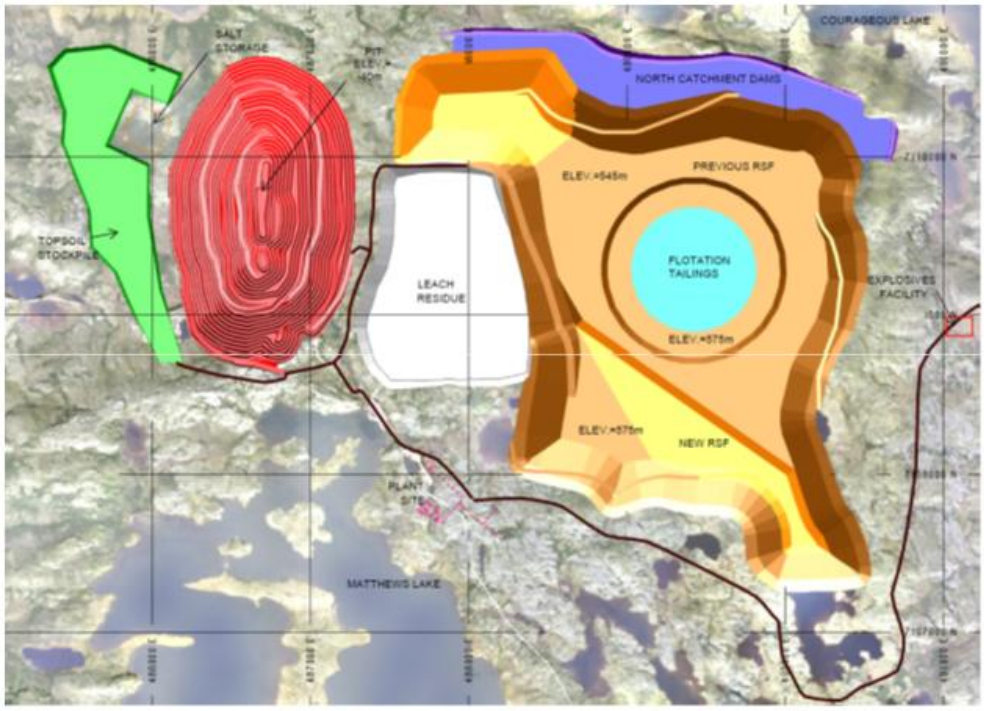
The selected power supply option for the Project includes a combination of thermal power, based on a diesel power plant, and wind power generation. To meet the estimated process plant and ancillary average annual load of 24.4 MW, a normal running load of 26.0 MW, and a peak load of 29.4 MW, a total of 9 generator sets are required, each with a nominal continuous rating of around 4.4 MW and a "prime" (short time overload) rating of 4.8 MW. With 7 sets operating, the total continuous capacity is 30.8 MW and the short time "prime" capacity is 33.6 MW. This arrangement provides two redundant generator sets (one permitted to be down for service or maintenance, and one on hot standby to allow for a forced outage).

Based on the analysis of the Courageous Lake wind speed data, a mean wind power density at 50 m is indicated as being 385 W/m2, which, although rated as only "Fair" by industry guidelines, nonetheless represents an attractive supplemental source of energy for the Project. This is due to the fact that the alternative is more expensive diesel generated power. A wind farm of 31.5 MW installed capacity has been selected. Further studies are recommended in order to arrive at the optimal wind farm size.

The projected total annual energy consumption for the process plant is 213,829 MWh. Based on the proposed wind farm, there would be 91,900 MWh produced by wind and 121,931 MWh by diesel generation. Thus, with a 31.5 MW wind farm consisting of 21 turbines, approximately 43% of the required energy would be provided by wind in an average year.

Figure 5 shows the Courageous Lake Project and its proposed infrastructure near the end of mining at the project .

**Figure 5 – Courageous Lake Project Infrastructure**




***Project Capital Costs***

The initial capital cost estimate for the project is estimated at US$1.52 billion, broken down as follows:

| Description | US$000 | US$000 |
|---|---|---|
| **Direct Costs** | | |
| Overall Site | 59,745 | |
| Open Pit Mining | 96,701 | |
| Crushing and Stockpiles | 83,238 | |
| Grinding and Flotation | 135,039 | |
| Pressure Oxidation | 88,660 | |
| Thickening, Neutralization and Cyanide Leaching | 38,940 | |
| Gold ADR Circuit, Cyanide Handling and Electrowinning | 14,833 | |
| Reagents and Consumables | 23,536 | |
| Tailing Management Facility | 53,422 | |
| Water Treatment Plant | 8,774 | |
| Site Services and Utilities | 34,352 | |
| Ancillary Buildings | 66,839 | |
| Airstrip and Loading/Unloading Facilities | 12,203 | |
| Plant Mobile Equipment | 3,058 | |

| | | |
|---|---|---|
| Temporary Services | 49,085 | |
| Electrical Power Supply | 179,838 | |
| Yellowknife and Edmonton Facilities | 17,227 | |
| **Sub-total Direct Costs** | | **965,490** |
| **Indirect Costs** | | |
| Indirects | 315,187 | |
| Owner's Costs | 55,059 | |
| Contingency | 186,703 | |
| **Indirects Subtotal** | | **556,949** |
| **Total Capital Cost** | | **1,522,439** |

All currencies in this section are expressed in US dollars. Costs in this estimate have been converted using a fixed currency exchange rate based on the Bank of Canada three-year average of Cdn$1.00 to US$0.98 (base case). The expected accuracy range of the capital cost estimate is +25%/-15%. This capital cost estimate includes only initial capital, which is defined as all capital expenditures that are required up until the start of gold doré production.

This estimate is prepared with a base date of Q2 2012 and does not include any escalation past this date. Budget quotations were obtained for major equipment. The vendors provided equipment prices, delivery lead times, freight costs to a designated marshalling yard, and spares allowances. The quotations used in this estimate were obtained in Q1/Q2 2012, and are budgetary and non-binding. For non-major equipment (i.e. equipment less than $100,000), costing is based on in-house data or quotes from recent similar projects. All equipment and material costs include Free Carrier (FCA) manufacturer plant Inco terms 2010. Other costs such as spares and freight are covered separately in the Indirects section of the estimate.

***Project Operating Costs***

The operating costs for the Project, as shown in the table below, were estimated at US$47.35/tonne of ore processed. The estimate was based on an average annual process rate of 6,387,500 tonnes ore milled at a gold grade of 2.20 g/T, including dilution.

| | **Annual Costs (US$000)** | **US$/tonne Milled** |
|---|---|---|
| Mine | 167,620 | 26.24 |
| Mill | 100,420 | 15.72 |
| G & A | 22,300 | 3.49 |
| Surface Services | 12,100 | 1.90 |
| Tailing Handling | Included in sustaining cost | |
| | | |
| **Total** | **302,440** | **47.35** |

The operating costs are defined as the direct operating costs including mining, processing, surface service, and G&A. The power is estimated to be US$0.18/kWh. The cost estimates in this section are based on budget prices in Q1/Q2 2012 or based on information from the databases of the consulting firms involved in the cost estimates. When required, costs in this report have been converted using a three-year average currency exchange rate of Cdn$1.00 to US$0.98. All costs are reflected in 2012 US dollars. The expected accuracy range of the operating cost estimate is +25%/-15%.

***Economic Evaluation***

The economic evaluation of the Project, incorporating all the relevant capital, operating, working, sustaining costs, and royalties (2% NSR), was based on a pre-tax financial model, which was also used to present a post-tax financial model. The revenues projected in the cash flow model were based on the average metal production values indicated in following Table.

| | Years 1 to 5 | Life of Mine |
|---|---|---|
| Total Tonnes to Mill (000s) | 29,433 | 91,126 |
| Annual Tonnes to Mill (000s) | 5,887 | 6,075 |
| **Average Grades** | | |
| Gold (g/t) | 2.170 | 2.205 |
| **Total Production** | | |
| Gold (000s oz) | 1,836 | 5,777 |
| **Average Annual Production** | | |
| Gold (000s oz) | 367 | 385 |

The gold price used for the base case is US$1,384.00/oz using the three-year trailing average (as of July 3, 2012). Two additional metal price scenarios were also developed using the spot metal price on July 3, 2012 (including the closing exchange rate of that day), and using an alternate gold price of US$1,925/oz. For the 15-year mine life and 91 million tonne inventory, the following pre-tax financial parameters were calculated using the base case gold price, the spot price case and the alternate case.

**Summary of the Pre-Tax Economic Evaluation**

| | Unit | Base Case | Spot Price Case | Alternate Case |
|---|---|---|---|---|
| **Metal Price** | | | | |
| Gold | US$/oz | 1,384.00 | 1,617.50 | 1,925.00 |
| Exchange Rate | US:Cdn | 0.9803 | 0.9877 | 0.9877 |
| **Pre-Tax Economic Results** | | | | |
| NPV (at 0%)* | US$ M | 1,507 | 2,785 | 4,519 |
| NPV (at 5%) | US$ M | 303 | 1,054 | 2,080 |
| IRR | % | 7.3 | 12.5 | 18.7 |
| Payback | Years | 11.2 | 7.4 | 4.0 |
| Cash Cost/oz Au | US$/oz | 780 | 789 | 796 |
| Total Cost/oz Au | US$/oz | 1,123 | 1,134 | 1,141 |

* undiscounted cash flow

The post-tax economic evaluation also includes income and mining taxes. It was prepared using corporate income tax rates of 15% for federal and 11.5% for Northwest Territories, after permitted deductions. The Northwest Territories mining tax is based on the value of the output of the mine during the fiscal year. The royalty is equal to the lesser of 13% of the value of mine output and the amount calculated based on graduated rates. All exploration and development and capital expenditures for fixed asset purchases are accumulated and may be amortized 100% against the value of the mine output. The mining tax is deductible for federal and provincial income tax purposes.

For the 15-year mine life and 91 million tonne inventory, the following post-tax financial parameters were calculated using the base case gold price, the spot price case and the alternate case.

**Summary of the Post-Tax Economic Evaluation**

| | Unit | Base Case | Spot Price Case | Alternate Case |
|---|---|---|---|---|
| **Metal Price** | | | | |
| Gold | US$/oz | 1,384.00 | 1,617.50 | 1,925.00 |
| Exchange Rate | US:Cdn | 0.9803 | 0.9877 | 0.9877 |
| **Post-Tax Economic Results** | | | | |
| NPV (at 0%)* | US$ M | 1,037 | 1,865 | 2,973 |
| NPV (at 5%) | US$ M | 92 | 611 | 1,285 |
| IRR | % | 5.8 | 10.1 | 15.3 |
| Payback | Years | 11.4 | 8.1 | 4.2 |

* undiscounted cash flow

***Sensitivity Analysis***

Sensitivity analyses were carried out on the gold price, exchange rate, initial capital expenditure and on-site operating costs.

The analyses are presented graphically in the 2012 CL PFS Report as financial outcomes in terms of NPV and IRR. Both the Project NPV and IRR are most sensitive to gold price and exchange rate followed by operating costs, with initial capital having the least impact.

***Environmental Permitting***

The formal environmental assessment of the Project would commence with preliminary screening of an application to the Mackenzie Valley Land and Water Board (MVLWB) for a Class A Water License, issued under the *Mackenzie Valley Resource Management Act* (MVRMA). After preliminary screening, the Project would be referred to the Mackenzie Valley Environmental Impact Review Board (MVEIRB), an independent body set up under the MVRMA to conduct environmental assessments of projects in the NWT, either by the MVLWB, or any other regulatory agency involved. The environmental assessment is conducted in a number of phases.

Environmental baseline work was initiated at the site by EBA in 2004; Rescan restarted the environmental baseline in the spring of 2010, and a second year of baseline was completed in 2011. In 2012, baseline work continued and is designed to address information required to further advance the Project. Results of this baseline work were integrated into mine planning for the 2012 CL PFS Report.

Seabridge is engaging with local communities and their respective leaders, regulatory agencies, regional, municipal and aboriginal governments, Treaty Nations, and First Nations as part of their efforts to advance the proposed project through the review process.

***Project Development Plan***

It is estimated that the Project would take approximately six and half years to complete permit applications and construction activities, starting with the completion of the 2012 CL PFS Report. A high-level project schedule is provided in the 2012 CL PFS Report.

***Project Opportunities and Recommendations***

Based on the results of the 2012 CL PFS Report, the authors recommend that it should be followed by either an updated pre-feasibility study or feasibility study in order to further assess the economic viability of the Project.

The 2012 CL PFS Report makes recommendations as to areas to investigate for potential improvements or refinements to the Project, including an examination of short range gold variability by drilling, further optimization of the mine plan, additional metallurgical test work to confirm optimum operating conditions and reagent consumption and further refinement of the plans for tailing and mine rock management facilities, water management and the diversion channel and the desalination solids
storage facility.

In addition, the 2012 CL PFS Report recommended the investigation of the following opportunities for the Courageous Lake Project in relation to hydro power, road access and optimizing economic pit limits.

- There are hydropower options for the Project's power supply that could significantly reduce the requirement for diesel fuel at the site. A prefeasibility level assessment is anticipated to be completed in early 2013, at which time the applicability of this option will be better understood and feasibility level studies will be considered.

- Access to the Project by winter ice road is limited to less than three months per year. It is during this period that almost all of the project's supplies are transported to site. The Tibbitt to Contwoyto Winter Road Joint Venture investigated extending the winter road seasonal use by at least another month with a 150 km extension from the permanent road access at Tibbitt Lake to Lockhart camp. While this would result in some reduction in both operating and capital costs for Courageous Lake, an all-season access road from the Bathhurst Inlet would provide considerably more benefit to Courageous Lake economics. Site access improvements would significantly reduce on-site storage requirements, especially fuel oil and reagents such as lime.

- The size and geometry of the Courageous Lake orebody, as well as the high capital impact of throughput and mine life, make the impact of the discounted cash flow economics important in determining an optimized economic pit limit. The current study, capital costs, and 15-year mine life are a good basis to evaluate the discounted cash flow cases. It would be difficult to use a Gemcom Whittle™ type of analysis, since the orebody does not produce even expansion increments as it deepens, and the fixed component of capital and operating costs is high due to the high Arctic location. Instead, different cases will need to be designed and full cash flows calculated, to determine meaningful economic comparisons. This analysis can also include combined open pit and underground options.

**Recent Exploration**

Exploration activities at Courageous Lake are being conducted by Seabridge personnel under the supervision of William E. Threlkeld, Senior Vice President of Seabridge. The following information regarding 2012 and 2013 exploration at the Courageous Lake Project, but excluding the resource estimates, was prepared by or under the supervision of William Threlkeld, a qualified person for the purposes of NI 43-101. The resource estimates were prepared by RMI under the direction of Michael Lechner, who is independent of Seabridge and a Qualified Person as defined by National Instrument 43-101.

In 2012, an $8.5 million exploration program at Courageous Lake was in part dedicated to the discovery of one or more gold deposits along Seabridge's 52-kilometer-long Matthews Lake Greenstone Belt. A number of targets had been identified over the previous seasons and these were evaluated with an airborne geophysical survey and by core drilling. A new deposit was discovered at the Walsh Lake target and additional drilling was completed in 2013 with goal of preparing a resource estimate.

The Walsh Lake discovery is about 10 kilometers south of the FAT deposit. The north part of this target area is connected by a road network between the FAT deposit and the historical Tundra Gold Mine that was abandoned in 1999. Walsh Lake consists of a series of structural zones part of which are on strike with deposits exploited in the Tundra Mine.

In March, 2014, the Issuer announced an estimate of inferred mineral resources for the Walsh Lake deposit of 4.62 million tonnes grading 3.24 g/T (482,000 ounces of gold). The 43-101 compliant resource estimate was prepared by RMI under the direction of Michael Lechner. The Walsh Lake model is based on 53 diamond core holes, totaling 17,450 meters, spaced at approximately 50 meters.

The resource estimate is constrained within a conceptual pit limit based on a gold price of $1,300 per ounce, gold recovery of 90% and a pit slope of 50 degrees. The pit constrained resource was tabulated using a 0.60 gram per tonne gold cutoff grade. The cutoff grade was calculated using mining and processing costs of $2.00 and $20.00 per tonne, respectively in addition to the aforementioned gold price and gold recovery parameters. Block gold grades were estimated using a multiple pass inverse distance weighting interpolation procedure. Manually constructed mineral zone wireframes were used in conjunction with a gold probability model to constrain the estimate of block grades. High-grade outlier gold assay grades were capped prior to compositing the assay data to 3m lengths. A portion of the estimated blocks were classified as inferred resources using mineralized continuity that was established by probabilistic interpolation methods. It is RMI's opinion that the new resource model is globally unbiased and locally reflects the grade of nearby drill hole composites.
Metallurgical testing on material from the Walsh Lake deposit which yielded gold extractions ranging from 93.8% to 95.0% in 48 hours of leach time from conventional, direct cyanidation.

The Walsh Lake resource provides the potential to add mine life and contribute higher grade material during the early years of the Courageous Lake project. The Walsh Lake resource grade is about 50% higher than the project's reserve grade, is near surface and close in to the proposed processing site. Walsh Lake gold also exhibits high recoveries using simple, conventional technologies.

The Issuer is now refining parameters to aid in drill testing the greenstone belt for more satellite deposits. The belt has numerous targets with gold at surface.

**Glossary of Technical Terms**

In this AIF, the following technical terms have the following meanings:

**Alteration** – Any change in the mineral composition of a rock brought about by physical or chemical means.

**Batholith** – A very large intrusive mass of igneous rock.

**Biotite** – A common rock-forming mineral in crystalline rocks, either as an original crystal in igneous rocks or as a metamorphic product in gneisses and schists.

**Breccia** – A rock in which angular fragments are surrounded by a mass of fine-grained minerals.

**Carbonate** – Sediment formed by the organic or inorganic precipitation from aqueous solution of carbonates of calcium, magnesium, or iron; e.g., limestone and dolomite.

**Chalcopyrite** – A sulphite mineral of copper and iron.

**Clastic** – Fragments of minerals and rocks that have been moved individually from their places of origin.

**Core samples** – The cylindrical form of rock called “core” that is extracted from a diamond drill hole . Mineralized sections are separated and these samples are sent to a laboratory for analysis.

**Cut-off grade** – The lowest grade of mineralized material that qualifies as reserve in a deposit, i.e.: contributing material of the lowest assay that is included in a reserve estimate.

**Diorite** – An intrusive igneous rock.

**Dip** – The angle that a structural surface, a bedding or fault plan, makes with the horizontal, measured perpendicular to the strike of the structure.

**Disseminated** – Where minerals occur as scattered particles in the rock.

**Facies** – The character and composition of sedimentary deposits.

**Fault** – A fracture or break in rock along which there has been movement.

**Feasibility Study –** A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable considerations used to convert Mineral Resources to Mineral Reserves together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project.

**Felsic** – An adjective describing an igneous rock having mostly light colored minerals and rich in silica, potassium and sodium.

**Fracture** – A break or crack in rock.

**Geochemistry** – The study of the chemical properties of rocks.

**Gneiss** – A layered or banded crystalline metamorphic rock, the grains of which are aligned or elongated into a roughly parallel arrangement.

**Grade** – The metal content of rock with precious metals. Grade can be expressed as troy ounces or grams per tonne of rock.

**Granite** – Any holocrystalline, quartz-bearing plutonic rock.

**Granitic** – Pertaining to or composed of granite.

**Greenschist** – A schistose metamorphic rock whose green color is due to the presence of chlorite, epidote or actinolite.

**Greywacke** – A dark grey, firmly indurated, course-grained sandstone that consists of poorly sorted, angular to subangular grains of quartz and feldspar, with a variety of dark rock and mineral fragments embedded.

**Hydrothermal** – The products or the actions of heated waters in a rock mass such as a mineral deposit precipitating from a hot solution.

**Hydrothermal alteration** – The process by which heated or superheated water/solutions alter the chemistry of the rocks they circulate through.

**Igneous** – A primary type of rock formed by the cooling of molten material.

**Indicated Resource** – That part of a Mineral Resource for which quantity, grade and quality, densities, shape and physical characteristics can be estimated with sufficient confidence to allow the application of the considerations used to convert Mineral Resources to Mineral Reserves in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing information and is sufficient to assume geological and grade or quality continuity between points of observation.

**Inferred resource** – That part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. The estimate is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes.

**Intrusion; intrusive** – Molten rock that is intruded (injected) into spaces that are created by a combination of melting and displacement.

**Measured resource** – That part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of the considerations used to convert Mineral Resources to Mineral Reserves to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

**Mineral** – A naturally formed chemical element or compound having a definitive chemical composition and usually a characteristic crystal form.

**Mineralization** – A natural concentration in rocks or soil of one or more metalliferous minerals.

**Monzonite** – A granular plutonic rock containing approximately equal amounts of orthoclase and plagioclase, and thus intermediate between syenite and diorite. Quartz is minor or absent.

**Net smelter return royalty/NSR** – A phrase used to describe a royalty payment made by a producer of metals based on gross metal production from the property, less deduction of certain limited costs including smelting, refining, transportation and insurance costs.

**Outcrop** – The part of a rock formation that appears at the surface of the ground.

**Phenocryst** – A term for large crystals or mineral grains floating in the matrix or groundmass of a porphyry.

**Placer** – A deposit of sand or gravel that contains particles of gold, ilmenite, gemstones, or other heavy minerals of value. The common types are stream gravels and beach sands.

**Porphyritic** – The texture of an igneous rock in which larger crystals (phenocrysts) are set in a finer-grained groundmass, which may be crystalline or glassy or both.

**Porphyry** – Any igneous rock in which relatively large crystals are set in a fine-grained matrix of rock.

**Pre-Feasibility study or preliminary feasibility study** – A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. This study includes a financial analysis based on reasonable assumptions on the considerations used to convert Mineral Resources to Mineral Reserves and the evaluation of any other relevant factors which are sufficient for a qualified person acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.

**Preliminary assessment** – A study that includes an economic analysis of the potential viability of mineral resources taken at an early stage of the project, prior to completion of a preliminary feasibility study.

**Pyrite** – An iron sulphide mineral ($FeS_2$), the most common naturally occurring sulphide mineral.

**Quartz** – Crystalline silica; often forming veins in fractures and faults within older rocks.

**Reclamation** – Restoration of mined land to original contour, use or condition.

**Reserve** or **Mineral Reserve** – The economically mineable part of a Measured Resource or Indicated Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level, as appropriate that include application of the considerations used to convert Mineral Resources to Mineral Reserves. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

**Resource** or **Mineral Resource** – A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Resources are subdivided, in order of increasing geological confidence, into inferred, indicated and measured categories.

**Sedimentary** – Formed by the deposition of sediment or pertaining to the process of sedimentation.

**Sediments** – Solid fragmental material that originates from weathering of rocks and is transported or deposited by air, water or ice, or that accumulates by other natural agents, such as chemical precipitation from solution or secretions by organisms, and that forms in layers of the Earth's surface at ordinary temperatures in a loose, unconsolidated form; e.g., sand, gravel, silt, mud, alluvium.

**Sericite** – A fine-grained potassium mica found in various metamorphic rocks.

**Vein** – A thin sheet-line, crosscutting body of hydrothermal mineralization, principally quartz.

**Waste** – Barren rock in a mine, or mineralized material that is too low in grade to be mined and milled at a profit.

**ITEM 4: RISK FACTORS**

*Investing in the Common shares is speculative and involves a high degree of risk due to the nature of the Issuer's business and the present stage of exploration and development of its mineral properties. The following risk factors, as well as risks currently unknown to the Issuer, could materially adversely affect the Issuer's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to the Issuer, or its business, property or financial results, each of which could cause investors to lose part or all of their investment. Before deciding to invest in any Common shares, investors should carefully consider the risks included herein.*

Risks Related to the Issuer and its Industry

*The Issuer has a history of net losses and negative cash flows from operations and expects losses and negative cash flows from operations to continue for the foreseeable future.*

The Issuer has a history of net losses and negative cash flows from operations and, although the Issuer achieved a net profit of $10,290,000 for the fiscal year ended December 31, 2008 and a net profit of $3,540,000 in 2010 primarily as a result the sale of assets of the Issuer, the Issuer expects to incur net losses and negative cash flows from operations for the foreseeable future. As of December 31, 2015, the Issuer's historical net losses totaled approximately $89.0 million. None of the Issuer's properties has advanced to the commercial production stage and the Issuer has no history of earnings or positive cash flow from operations.

The issuer expects to continue to incur net losses unless and until such time as one or more of its projects enters into commercial production and generates sufficient revenues to fund continuing operations or until such time as the Issuer is able to offset its expenses against the sale of one or more of its projects, if applicable. The development of the Issuer's projects to achieve production will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred and the execution of any sale or joint venture agreements with strategic partners, some of which are beyond the Issuer's control. There is no assurance that the Issuer will be profitable in the future.

*The Issuer's ability to continue its exploration activities and any future development activities, and to continue as a going concern, will depend in part on its ability to obtain suitable financing, enter into joint ventures or sell property interests.*

The Issuer estimates that it has financial resources to sustain operations to the end of 2016 . However, the Issuer requires capital to maintain title to and undertake exploration and development of the Issuer's principal exploration properties and to cover corporate expenses and presently has no ongoing source of revenue. Accordingly, additional financing will be required to continue to undertake additional development of the Issuer's mineral properties after its cash on hand has been spent. The maintenance of and further exploration and development of the Issuer's mineral properties is, therefore, dependent upon the Issuer's ability to obtain financing through the sale of projects, joint venturing of projects or equity or debt financing. Such sources of financing may not be available on terms acceptable to the Issuer, or at all. Difficult conditions in the credit and financial markets has limited access to capital and credit for many companies, which may make it more difficult for the Issuer to obtain, or increase its cost of obtaining, capital and financing for its operations. Failure to obtain such financing may result in delay or indefinite postponement of exploration and development work on the Issuer's mineral properties, or the possible loss of such properties. Satisfying financing requirements through the sale of projects or establishment of one or more joint ventures would reduce the Issuer's gold ownership per share and therefore its leverage to the gold price.

*The Issuer has reserves at its KSM Project and its Courageous Lake Project but they may not be brought into production.*

There is no certainty that the reserves estimated at the KSM Project or the Courageous Lake Project will actually be mined or, if mined, processed profitably. The Issuer does not intend to bring the KSM Project or the Courageous Lake Project into production on its own and intends to either enter into a joint venture with an experienced operator or to sell the KSM Project and the Courageous Lake Project. Given the size of the KSM Project and its estimated capital costs, there is likely a limited number of mining companies with the ability to raise the necessary capital and to put the KSM Project into production, which limits the options available to the Issuer for such a joint venture or sale. The commercial viability of the KSM Project is also dependent on a number of factors, including metal prices, government policy and regulation and environmental protection, which are beyond the control of the Issuer. The Issuer has relied and will continue to rely upon consultants for development and operating expertise.

*The figures for the Issuer's resources and reserves are estimates based on interpretation and assumptions and the properties may yield less mineral production or less profit under actual conditions than is currently estimated.*

Unless otherwise indicated, resource figures presented in this AIF and in the Issuer's other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Issuer personnel and independent geologists. These estimates are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be inaccurate. There can be no assurance that resource or other mineralization figures will be accurate or that this mineralization could be mined or processed profitably.

Because the Issuer has not completed a feasibility study or commenced commercial production at any of its properties, resource estimates for the Issuer's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that recovery of minerals in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

The resource and reserve estimates contained in this AIF have been determined based on assumed future prices, cut-off grades and capital and operating costs that may prove to be inaccurate. Substantial declines in market prices for gold and other metals or increases in costs may eliminate the potential profitability of the Issuer's deposits, require increases in cut-off grades and result in reduced reported resources or reserves. Any material reductions in estimates of resources or reserves, or of the Issuer's ability to extract these resources or reserves, could have a material adverse effect on the Issuer's prospects and could restrict the Issuer's ability to successfully implement its strategies for long-term growth.

*Actual capital costs, operating costs, production and economic returns may differ significantly from those Seabridge has anticipated. There are no assurances future development activities by Seabridge, if any, will lead to a favourable feasibility study or profitable mining operations.*

The Issuer has completed prefeasibility studies at each of its KSM Project and its Courageous Lake Project, but typically a company will not make a production decision until it has completed a feasibility study. Feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the reserves to be mined and processed;
- anticipated recovery rates of gold and other metals from the reserves;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions and environmental protection measures .

Completing a feasibility study at each of the Issuer's Projects requires significant additional work and study in order to reduce the range of uncertainty associated with the study's estimates and conclusions. Cash operating costs, production and economic returns, and other estimates contained in studies or estimates prepared by or for the Issuer may differ significantly from those anticipated by Seabridge's current studies and estimates and may even result in delays or cancellation of Project development.

There can be no assurance that, if it starts production at one or more of its Projects, the Issuer's actual operating costs will not be higher than currently anticipated. None of the Issuer's mineral properties have an operating history upon which the Issuer can base estimates of future operating costs.

There is no certainty that a feasibility study in respect of the KSM Project or the Courageous Lake Project will be completed or, if completed, that it will result in sufficiently favourable estimates of the economic viability of the Project. The Issuer has relied and will continue to rely upon consultants for development and operating expertise.

*Seabridge has no history of commercially producing precious metals from its mineral exploration properties and there can be no assurance that it will successfully establish mining operations or profitably produce precious metals.*

Seabridge has no history of commercially producing precious metals from its current portfolio of mineral exploration properties and the Issuer has no ongoing mining operations or revenue from mining operations. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. None of the Issuer's properties are currently under construction. The future development of properties estimated to be economically feasible will require obtaining permits and financing and the construction and operation of mines, processing plants and related infrastructure. Although Seabridge has disclosed that it will not undertake production activities by itself, it may be involved in construction and production at one or more of its properties if it enters into a joint venture or other arrangement with a third party regarding production. As a result, Seabridge may be subject to all of the risks associated with establishing new mining operations and business enterprises, including:

- timing and cost, which can be considerable, of the construction of mining and processing facilities;
- availability and costs of skilled labour and mining equipment;
- availability and cost of appropriate smelting and/or refining arrangements;
- need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;
- availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, environmental groups, aboriginal groups or local groups which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies and foreign exchange rates.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Issuer's mining properties. It is common in new mining operations to experience unexpected problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that, if the Issuer decides to be involved in mining activities, the Issuer will successfully establish mining operations or profitably produce precious or base metals at any of its properties.

*Changes in the market price of gold, copper and other metals, which in the past have fluctuated widely, affect the potential profitability of the Issuer's projects.*

The potential profitability of the Issuer's projects depends, in large part, upon the market price of gold, copper and other metals and minerals to be produced. The market price of gold, copper and other metals is volatile and is impacted by numerous factors beyond the Issuer's control, including:

- expectations with respect to the rate of inflation;
- the relative strength of the U.S. dollar and certain other currencies;
- interest rates;
- global or regional political or economic conditions;
- supply and demand for jewelry and industrial products containing metals;
- faith in paper currencies and governments;
- costs of substitutes;
- changes in global or regional investment or consumption patterns;
- global production levels;
- speculative activities; and
- sales by central banks and other holders, speculators and producers of gold, copper and other metals in response to any of the above factors.

There can be no assurance that the market price of gold, copper and other metals will remain at current levels or that such prices will improve. A decrease in the market price of gold and copper could adversely affect the Issuer's ability to finance the exploration and development of the Issuer's properties and to enter into joint ventures with strategic partners relating to the Issuer's properties, which would have a material adverse effect on the Issuer's financial condition and results of operations. There is no assurance that if commercial quantities of gold, copper and other metals are discovered on the Issuer's properties, that a profitable market will exist or continue to exist for a production decision to be made or for the ultimate sale of the metals. As the Issuer has a high ratio of gold resources per Common share, fluctuations in gold prices have tended to have a great impact on the price of the Common shares.

*The Issuer may be adversely affected by future fluctuations of foreign exchange rates.*

The potential profitability of the Issuer is exposed to the financial risk related to the fluctuation of foreign exchange rates. The minerals that could be produced from the Issuer's projects are priced in U.S. dollars but, since the Issuer's principal projects are located in Canada, a significant percentage of its estimated expenditures will be in Canadian dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the U.S. dollar will have an effect on the on the potential profitability of the Issuer's projects and therefore its ability to continue to finance its operations. To the extent the actual Canadian dollar to U.S. dollar exchange rate is less than or more than the exchange rate used in the preliminary feasibility studies summarized in this AIF, the profitability of the projects will be more than or less than that estimated (if the other assumptions are realized). Accordingly, the Issuer's prospects may suffer due to adverse currency fluctuations.

*The Issuer's activities and proposed business are inherently dangerous and contain significant uninsured risks that could negatively impact the Issuer.*

The Issuer's exploration and development of its mineral properties involves a number of risks and hazards. In addition, the business of mining is subject to various risks and hazards including:

- environmental hazards;
- industrial accidents;
- metallurgical and other processing problems;
- unusual or unexpected rock formations;
- rock bursts;
- structural cave-ins or slides;
- flooding;
- fires;
- earthquakes, avalanches or landslides;
- metals losses; and
- periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, plant and equipment, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

The Issuer currently maintains insurance against risks relating to its exploration activities in an amount which it believes to be reasonable. If the Issuer commences mining activities with a partner, it will be subject to mining risks, including those listed above. The Issuer anticipates that it will obtain the insurance it feels is reasonable for any mining activities it undertakes, however, such insurance contains exclusions and limitations on coverage and insurance for all risks is not likely available. There can be no assurance that the insurance the Issuer desires will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. The issuer might also be subject to liability for environmental damage or other hazards which may be uninsurable or for which it may elect not to insure because of premium costs or commercial impracticability. The payment of such liabilities would reduce funds available for the acquisition of mineral properties or exploration and development and would have a negative effect on the Issuer's ability to generate revenues, profits and cash flows.

*The Issuer is subject to substantial government regulatory requirements, which could cause a restriction or suspension of the Issuer's operations.*

The exploration and development activities of the Issuer and the potential for profitable operations of the Issuer's mineral properties is affected to varying degrees by government regulations relating to exploration, development and mining activities, the acquisition of land, royalties, taxes, labour standards, pollution control, environmental protection, health and safety and expropriation of property. Changes in these regulations or in their application are beyond the control of the Issuer and may adversely affect its operations, business and the potential of its projects. Failure to comply with the conditions set out in any permit or failure to comply with applicable statutes and regulations may result in an order to cease or curtail further exploration or development or reduce or eliminate the potential profitability of a project. The Issuer may be required to compensate those suffering loss or damage by reason of its exploration activities or operations.

At the federal and provincial level, the Issuer must comply with exploration permitting requirements which require sound operating and reclamation plans to be approved by the applicable government body prior to the start of exploration. At the local level, regulations deal primarily with zoning, land use and specific building permits, as well as taxation and the impact of the Issuer's operations on the existing population and services. There can be no assurance that all required approvals and permits will be able to be obtained.

The devolution of lands and resource management from the Government of Canada to the Government of the Northwest Territories took place earlier this year. It is not known how this will affect the current regulatory regime relating to the Issuer's Courageous Lake Project but it could result in the Issuer having to meet stricter standards or the regulatory approval process becoming more onerous.

Depending upon the type and extent of the exploration activities, the Issuer may be required to post reclamation bonds and/or assurances that the affected areas will be reclaimed. Currently, the Issuer has estimated C$1.3 million in reclamation liabilities for its properties. As at December 31, 2015, C$1.6 million has been deposited for the benefit of the various government agencies until released or applied to reclamation costs. If the reclamation requires funds in addition to those already estimated or allocated, the Issuer could be forced to pay for the extra work, which could have a material adverse effect on the Issuer's financial position and operations. In addition, unidentified environmental deficiencies may exist on other properties of the Issuer. The discovery of and any required reclamation of any additional properties would likely have an adverse effect on the Issuer's operations and financial position.

*The Issuer is subject to substantial environmental requirements which could cause a restriction or suspension of the Issuer's operations. These requirements must be met for the Issuer to receive regulatory approval of its proposed mining operations.*

In connection with its operations and properties, the Issuer is subject to extensive and changing environmental legislation, regulations and actions. The Issuer cannot predict what environmental legislation, regulations or policy will be enacted or adopted in the future or how current or future laws and regulations will be administered or interpreted. The recent trend in environmental legislation and regulation generally is toward stricter standards and this trend is likely to continue in the future. The recent trends include, without limitation, laws and regulations relating to air and water quality, mine reclamation, waste handling and disposal, the protection of certain species and the preservation of certain lands. These regulations may require that the Issuer obtain permits or other authorizations for certain activities associated with exploration and numerous permits associated with mining operations and there is a risk the Issuer will not receive the required permits. These laws and regulations may also limit or prohibit activities on certain lands lying within wetland areas, areas providing habitat for certain species or other protected areas. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or stricter interpretation of existing laws, may necessitate significant capital outlays, which may adversely affect the Issuer's results of operations and business, or may cause material changes or delays in the Issuer's intended activities.

The aboriginal land claims process in Canada has recently resulted in some aboriginal groups taking over administration of lands subject to the land claims settlement, and aboriginal groups groups may look to impose additional requirements over land they administer.

At the federal and provincial level, regulations deal with environmental quality and impacts upon air, water, soil, vegetation and wildlife, as well as historical and cultural resources. Approval must be received from the applicable bureau and/or department before exploration and mining can begin, and ongoing monitoring of operations is common. If the Issuer's operations result in negative effects upon the environment, government agencies will usually require the Issuer to provide remedial actions to correct the negative effects.

*Title to the Issuer's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects.*

The Issuer cannot guarantee that title to its properties will not be challenged. Title insurance is not available for mineral properties in Canada and the Issuer's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. The Issuer's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. To date, the Issuer has only done a preliminary legal survey of the boundaries of its properties and has not obtained formal title reports on any of its properties and, therefore, in accordance with the laws of the jurisdictions in which these properties are situated, their existence and area could be in doubt. If title is challenged, the Issuer will have to defend its ownership through the courts. A successful challenge to the precise area and location of these claims could result in the Issuer being unable to operate on its properties or being unable to enforce its right with respect to its properties.

*There is uncertainty related to unsettled First Nations' rights and title and settled Treaty Nation's rights in British Columbia and the Northwest Territories and this may create delays in project approval or interruptions in project progress.*

The nature and extent of First Nation rights and title remains the subject of active debate, claims and litigation in Canada, including in British Columbia and the Northwest Territories. Recently the Supreme Court of Canada recognized for the first time aboriginal title of an aboriginal group to a specific area in British Columbia. The Provincial and the federal governments are also making efforts to settle claims of aboriginal title and rights being advanced by aboriginal groups and the likely outcome of these negotiations is greater authority for aboriginal groups in the permitting process for achieving mine approval and in some areas may result in outright ownership of resources and regulatory control being transferred to aboriginal groups.

Parts of the KSM Project lie within an area asserted to be the traditional territories of two different aboriginal groups and no comprehensive treaty or land claims settlement has been concluded regarding these traditional territories. A part of the KSM Project lies within territory subject to settled treaty rights of the Nisga'a Nation. The Courageous Lake Project lies within the traditional territory of the Yellowknives Dene First Nation and no comprehensive treaty or land claims settlement has been concluded regarding this traditional territory. A part of the Courageous Lake Project lies within territory designated as a shared use area under the settled treaty rights of the Tlicho Nation. There can be no guarantee that the unsettled nature of land claims, or uncertainties associated with settled claims, in British Columbia and the Northwest Territories will not create delays in project approval or unexpected interruptions in project progress, or result in additional costs to advance the Issuer's projects.

Mine construction and commencement of mining activities may only be possible with the consent of the local aboriginal groups. Many companies have secured such consent by committing to take measures to limit the adverse impact to, and ensure some of the economic benefits of the construction and mining activity will be enjoyed by, the local aboriginal groups or treaty nations groups. However, there can be no assurance that such consent can or will be secured at an acceptable cost or that the KSM Project or the Courageous Lake Project will be approved without such consent.

*Periods of high metal prices encourage increased mining exploration, development and construction activity, which results in increased demand for, and cost of, exploration, development and construction services and equipment.*

During periods of relative strength of metal prices, as we have seen over the past decade , increases in mining exploration, development and construction activities occur around the world, which results in increased demand for, and cost of, exploration, development and construction services and equipment. While recent market conditions have had a moderating effect on the costs of such services and equipment, increases in such costs may recur with the resumption of an upward trend in metal prices. Increased demand for services and equipment could result in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and may cause scheduling difficulties due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development and/or construction costs.

*Increased competition could adversely affect the Issuer's ability to acquire suitable properties for mineral exploration in the future.*

The mining industry is intensely competitive. Significant competition exists for the acquisition of properties producing or capable of producing gold or other metals. The Issuer may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other companies, many of which have greater financial resources, operational experience and technical capabilities than the Issuer. Competition for exploration properties is currently only moderate but, if metals prices increase, competition could again become very intense. Increased competition could adversely affect the Issuer's ability to acquire suitable properties for mineral exploration in the future.

*The Issuer has a dependence upon key management employees, the absence of which would have a negative effect on the Issuer's operations.*

The issuer strongly depends on the business and technical expertise of its management and key personnel, including Rudi Fronk, Chairman and Chief Executive Officer. There is little possibility that this dependence will decrease in the near term. If the Issuer's operations expand, additional general management resources will be required. The Issuer may not be able to attract and retain additional qualified personnel and this would have a negative effect on the Issuer's operations. The Issuer does not carry any formal services agreements between itself and its officers or directors. The Issuer does not carry any "key man" life insurance.

*Certain of the Issuer's directors and officers serve in similar positions with other natural resource companies, which put them in conflict of interest positions from time to time.*

Certain of the directors and officers of the Issuer are also directors, officers or shareholders of other natural resource or mining-related companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interest that they may have in any project or opportunity of the Issuer. If a conflict of interest arises in a matter to be discussed at a meeting of the board of directors, any director in a conflict must disclose his interest and abstain from voting on such matter. In determining whether or not the Issuer will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Issuer may be exposed and its financial position at the time.

*The market for the Common shares has been subject to volume and price volatility which could negatively affect a shareholder's ability to buy or sell the Common shares.*

The market for the Common shares may be highly volatile for reasons both related to the performance of the Issuer or events pertaining to the industry (i.e., mineral price fluctuation, high production costs) as well as factors unrelated to the Issuer or its industry. In particular, the price for gold, which was over US$1,900 per ounce in 2011, has recently been below US$1,100 per ounce. In addition, market demand for products incorporating minerals fluctuates from one business cycle to the next, resulting in a change of demand for the mineral and an attendant change in the price for the mineral. The Common shares can be expected to be subject to volatility in both price and volume arising from market expectations, announcements and press releases regarding the Issuer's business, and changes in estimates and evaluations by securities analysts or other events or factors. In recent years the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small-capitalization companies such as the Issuer, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values or prospects of such companies. For these reasons, the Common shares can also be expected to be subject to volatility resulting from market forces over which the Issuer will have no control. Further, despite the existence of markets for trading the Common shares in Canada and the United States, shareholders of the Issuer may be unable to sell significant quantities of Common shares in the public trading markets without a significant reduction in the price of the shares.

*The Common shares are publicly traded and are subject to various factors that have historically made the Common share price volatile.*

The market price of the Common shares has been, and may continue to be, subject to large fluctuations, which may result in losses to investors. The market price of the Common shares may increase or decrease in response to a number of events and factors, including: the Issuer's operating performance and the performance of competitors and other similar companies; volatility in metal prices; the public's reaction to the Issuer's press releases, material change reports, other public announcements and the Issuer's filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the Common shares or the shares of other companies in the resource sector; changes in general economic and/or political conditions; the number of Common shares to be publicly traded after an offering of Common shares; the arrival or departure of key personnel; acquisitions, strategic alliances or joint ventures involving the Issuer or its competitors; and the factors listed under the heading "*Description of the Issuer's Business – Cautionary Statement Regarding Forward-Looking Information and Statement* ".

The market price of the Common shares is affected by many other variables that are not directly related to the Issuer's success and are, therefore, not within its control, including other developments that affect the market for all resource sector securities, the breadth of the public market for the Common shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common shares on the exchanges on which they trade has historically made the trading price of the Common shares volatile and suggests that the trading price of the Common shares will continue to be volatile in the future.

*The Issuer has never declared or paid any dividends on the Common shares .*

The Issuer has never declared or paid any dividends on the Common shares. The Issuer intends to retain earnings, if any, to finance the growth and development of the business and does not intend to pay cash dividends on the Common shares in the foreseeable future. Any return on an investment in the Common shares will come from the appreciation, if any, in their value. The payment of future cash dividends, if any, will be reviewed periodically by the Issuer's Board of Directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors. See "Dividend Policy."

*Shareholders' interest may be diluted in the future.*

The Issuer likely requires additional funds for exploration and development programs or potential acquisitions. If it raises additional funding by issuing additional equity securities or other securities that are convertible into equity securities, such financings may substantially dilute the interests of existing or future shareholders. Sales or issuances of a substantial number of securities, or the perception that such sales could occur, may adversely affect the prevailing market price for the Common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Issuer's earnings per share.

*The Issuer could be deemed a passive foreign investment company which could have negative consequences for U.S. investors.*

Depending upon the composition of the Issuer's gross income or its assets, the Issuer could be classified as a passive foreign investment company ("**PFIC**") under the United States tax code. If the Issuer is declared a PFIC, then owners of the Common shares who are U.S. taxpayers generally will be required to treat any "excess distribution" received on their Common shares, or any gain realized upon a disposition of Common shares, as ordinary income and to pay an interest charge on a portion of such distribution or gain, unless the taxpayer makes a qualified electing fund ("**QEF**") election or a mark-to-market election with respect to the Common shares. A U.S. taxpayer who makes a QEF election generally must report on a current basis its share of the Issuer's net capital gain and ordinary earnings for any year in which the Issuer is classified as a PFIC, whether or not the Issuer distributes any amounts to its shareholders. U.S. investors should consult with their tax advisors for advice as to the U.S. tax consequences of an investment in the Common shares.

## ITEM 5: DIVIDENDS

The Issuer has not paid any dividends since incorporation. Payment of dividends in the future is dependent upon the earnings and financial condition of the Issuer and other factors which the directors may deem appropriate at the time. However, the Issuer is not limited in any way in its ability to pay dividends on its Common shares other than to comply with solvency tests that apply to it under its governing corporate legislation.

## ITEM 6: GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The Issuer is authorized to issue an unlimited number of Common shares without par value and an unlimited number of Preferred shares, issuable in series, of which at March 24, 2016, 52,139,626 Common shares were issued and outstanding and no Preferred shares were issued and outstanding.

The holders of the Common shares are entitled to receive notice of and to attend the vote at all meetings of the shareholders of the Issuer and each Common share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Issuer. The holders of the Common shares, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, are entitled to receive such dividends in any financial year as the Board of Directors of the Issuer may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Issuer, whether voluntary or involuntary, the holder of the Common shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Issuer, the remaining property and assets of the Issuer.

The directors of the Issuer are authorized to create series of Preferred shares in such number and having such rights and restrictions with respect to dividends, rights of redemption, conversion or repurchase and voting rights as may be determined by the directors and shall have priority over the Common shares to the property and assets of the Issuer in the event of liquidation, dissolution or winding-up of the Issuer.

## ITEM 7: MARKET FOR SECURITIES

### Trading Price and Volume

The Issuer's Common shares are listed for trading through the facilities of the TSX under the symbol "SEA", and on the NYSE under the symbol "SA". During the Issuer's most recently completed financial year, the high and low trading prices and trading volume (rounded up or down to the nearest 100) of the Issuer's Common shares on the TSX and on the NYSE was as follows:

| 2015 | TSX | | | NYSE/AMEX | | |
|---|---|---|---|---|---|---|
| Month | Volume | High (CDN$) | Low (CDN$) | Volume | High (US$) | Low (US$) |
| January | 1,493,715 | 12.12 | 8.52 | 11,022,793 | 9.89 | 7.26 |
| February | 1,065,640 | 11.17 | 9.01 | 11,781,249 | 9.30 | 7.15 |
| March | 1,116,129 | 9.76 | 6.88 | 16,399,650 | 7.84 | 5.42 |

| | | | | | | |
|---|---|---|---|---|---|---|
| April | 1,110,814 | 8.50 | 7.01 | 10,320,461 | 6.82 | 5.53 |
| May | 1,716,655 | 7.85 | 7.21 | 19,372,092 | 6.49 | 5.78 |
| June | 880,990 | 8.44 | 7.45 | 13,506,636 | 6.77 | 5.98 |
| July | 1,684,987 | 7.87 | 4.34 | 7,975,779 | 6.23 | 3.31 |
| August | 1,831,929 | 9.33 | 4.78 | 7,056,032 | 7.12 | 3.62 |
| September | 1,019,470 | 8.75 | 7.13 | 10,983,323 | 6.68 | 5.31 |
| October | 1,911,303 | 12.60 | 7.44 | 14,282,313 | 9.58 | 5.61 |
| November | 1,596,735 | 11.42 | 9.50 | 9,375,896 | 8.74 | 7.14 |
| December | 1,491,135 | 12.25 | 10.31 | 17,440,635 | 9.00 | 7.70 |

## ITEM 8: DIRECTORS AND OFFICERS

The By-Laws of the Issuer provide for the election and retirement of directors. At each annual general meeting, all the directors retire and the Issuer elects a Board of Directors consisting of the number of directors fixed from time to time by the shareholders, subject to the Issuer's Articles. If the election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected. The Issuer has a 3 member Audit Committee, a 5 member Corporate Governance and Nominating Committee, a 3 member Compensation Committee and a 3 member Technical Committee.

The names and municipalities of residence of the directors and officers of the Issuer, the positions held by them with the Issuer, their principal occupations for the past five years and their shareholdings in the Issuer as of March 23, 2016 are as follows:

| Name, Municipality of Residence and Position | Principal Occupation or employment and, if not a previously elected director, occupation during the past 5 years | Previous Service as a Director | Number of Common shares beneficially owned, or controlled or directed, directly or indirectly[5] |
|---|---|---|---|
| **A Frederick Banfield**[1] [2] [3] [4]<br>Tucson, Arizona, USA<br>Director | Chairman, Mintec Inc., a consulting and software company providing services to the minerals industry, since 1970. | Since October 1999 | 275,000 |
| **Douglass "Scott" Barr**[2] [3] [4]<br>Centennial, Colorado, USA<br>Director | Executive, Value Assurance, Newmont Mining Corporation since Dec. 2011, Technical Advisor to, and previously Executive VP and COO of, Golden Star Resources Ltd., since 2008. With Newmont Mining Corporation from 1995 to 2008, finishing as VP – Technical Strategy and Development | Since June 2011 | 5,000 indirectly |

| Name, Municipality of Residence and Position | Principal Occupation or employment and, if not a previously elected director, occupation during the past 5 years | Previous Service as a Director | Number of Common shares beneficially owned, or controlled or directed, directly or indirectly[5] |
|---|---|---|---|
| **Rudi P. Fronk**<br>Toronto, Ontario, Canada<br>Chairman and CEO, Director | Chairman and CEO, Seabridge Gold Inc. | Since October 1999 | 910,000 directly 30,000 indirectly |
| **Eliseo Gonzalez-Urien**[2] [3] [4]<br>Ashland, Oregon, USA<br>Director | Senior Technical Advisor, Seabridge Gold Inc. Retired as Senior Vice President, Placer Dome Inc. in 2001. | Since January 2006 | 69,765 |
| **Richard Kraus** [1][3]<br>Greenwood Village, Colorado, USA<br>Director | Executive Chairman of The RMH Group, Inc. since 2001 | Since December 2013 | 2,000 |
| **Jay Layman**<br>Breckenridge, Colorado, USA<br>President and Chief Operating Officer, Director | President and Chief Operating Officer, Seabridge Gold since June 2012; Executive Vice President and Chief Operating Officer, March 2011 to June 2012, Independent Consultant (President of Tactical and Strategic Advisory Services LLC), August 2010 to February 2011, Vice President Solutions and Innovation, Newmont Mining Company from May 2007 to August 2010. | Since June 2012 | 5,393 |
| **John Sabine**[1][3]<br>Ontario, Canada<br>Director | Counsel, Bennett Jones LLP from February 2013 to present; Counsel, Fraser Milner Casgrain LLP from November, 2001 to February 2013. | June, 2014 | 7,000 directly 13,000 indirectly |
| **William E. Threlkeld**<br>Morrison, Colorado, USA<br>Senior Vice President, Exploration | Senior V.P. Seabridge Gold Inc. since 2001 | N/A | 270,000 |
| **Peter Williams**<br>Aurora, Colorado, USA<br>Senior Vice President, Technical Services | Senior V.P., Technical Services, Seabridge Gold Inc. since July, 2013; Group Executive Mine Engineering, Technical Services, Newmont Mining Company from July 2008 to June 2013 | N/A | 22,500 |
| **Christopher J. Reynolds**<br>Oakville, Ontario, Canada<br>Vice President, Finance & CFO | Vice President, Finance and Chief Financial Officer, Seabridge Gold since May 2011; Director of Paramount Gold Nevada Corp., since April 2015; October 2007 – April 2011 Vice President Finance and Chief Financial Officer, Norsemont Mining Inc. | N/A | 70,000 |

| Name, Municipality of Residence and Position | Principal Occupation or employment and, if not a previously elected director, occupation during the past 5 years | Previous Service as a Director | Number of Common shares beneficially owned, or controlled or directed, directly or indirectly[5] |
|---|---|---|---|
| **R. Brent Murphy**<br>Yellowknife, NT, Canada<br>Vice President, Environmental Affairs | Vice President, Environmental Affairs, Seabridge Gold Inc. since December 2010, Manager, Environmental Affairs to Seabridge; March 2008 - December 2010. | N/A | 30,380 directly<br>6,810 indirectly |
| **C. Bruce Scott**<br>West Vancouver, B.C., Canada<br>Vice President, Corporate Affairs and Corporate Secretary | Vice President, Corporate Affairs and Corporate Secretary, Seabridge Gold since 2012, President of CBCS Law Corporation, counsel to the Issuer, Partner, DuMoulin Black LLP, January 1998 - December 2011 | N/A | 18,400 directly<br>19,400 indirectly |
| **Gloria M. Trujillo**<br>Toronto, Ontario, Canada Assistant Secretary | Assistant Corporate Secretary, Seabridge Gold since 2003; Manager of Administration and Webmaster, Seabridge Gold since 2000 | N/A | 11,940 |

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance and Nominating Committee.
(4) Member of the Technical Committee.
(5) Shares beneficially owned, directly or indirectly, or over which control or direction is exercise, as at March 1, 2016, based upon information furnished to the Corporation by individual directors. Unless otherwise indicated, such shares are held directly.

As of March 1, 2016, the directors and executive officers of the Issuer, as a group, hold 1,848 ,663 Common shares of the Issuer (excluding Common shares which may be acquired upon exercise of stock options and vesting of restricted share units held by them), representing 3.5% of the Issuer's issued and outstanding shares. Each director holds office until the next general meeting of the Issuer at which directors are elected.

Other than as set forth below, none of the Issuer's directors or executive officers is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Issuer) that:

(a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

"Order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

None of the Issuer's directors or executive officers or any shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer:

(a) is, as at the date of this AIF or has been, within the ten years before the date of this AIF, a director or executive officer of any company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

## ITEM 9: AUDIT COMMITTEE INFORMATION

### Audit Committee Charter

The Issuer's audit committee has a charter (The "Audit Committee Charter") in the form attached to this AIF as Schedule "A".

### Composition of the Audit Committee

Each of the members of the Issuer's Audit Committee is independent and financially literate, as those terms are defined in National Instrument 52-110 *Audit Committees*.

### Relevant Education and Experience

A description of the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member is set out below.

***Richard Kraus (Chairman of the Audit Committee)***
Mr. Kraus is a Certified Public Accountant and an accomplished business leader with a broad range of experience as an investor, board director, senior executive and business consultant across multiple industries with an emphasis on mining and natural resources. From 1981-1997 he served in various senior executive roles (including CEO, COO and CFO) of Echo Bay Mines, a major gold mining company that was acquired by Kinross Gold Corporation in 2003. Mr. Kraus is currently Executive Chairman of The RMH Group, Inc., a privately owned engineering consulting firm with more than 100 employees. He is a graduate of LaSalle University in Business Administration.

***John Sabine***
Mr. Sabine has over 40 years of legal expertise in mining, corporate reorganization, securities, financing, and mergers and acquisitions. He has served on a number of public company boards and as a member of several audit committees. Mr. Sabine is the former non-executive Chair of Anvil Mining Limited and currently is non-executive Chair of North American Nickel Inc. As Counsel at Bennett Jones LLP, he represents a number of issuer clients and has transaction experience in the Americas, Africa, Europe and Asia. He is widely recognized for advising on complex international projects. Mr. Sabine holds a B.A. and LLB. from the University of Western Ontario and was called to the Ontario Bar in 1972.

***A. Frederick Banfield***
Mr. Banfield is the Founder and Chairman of Mintec, Inc. Mr. Banfield was one of the original developers of MineSight ™, recognized as the pre-eminer reserves modeling and mine design software system with more than 300 installations worldwide. Mr. Banfield has also been an independent reserves auditor and mine planning advisor to some of the world's leading gold mining organizations with respect to projects in the United States, Canada, Africa, Australia and Latin America. Mr. Banfield holds an Engineer of Mines degree from the Colorado School of Mines.

External Auditor Services Fees (by Category)

The aggregate fees billed by the Issuer's external auditors in the following categories for the 12 months ended December 31, 2015 and 2014 are as follows:

| | 2015 | 2014 |
|---|---|---|
| **Audit Fees** | $204,000 | $241,000 |
| **Audit Related Fees** | Nil | Nil |
| **Tax Fees** | Nil | $42,697 |
| **All Other Fees** | Nil | Nil |
| **Total** | $204,000 | $283,697 |

Pre-Approval of Audit and Non-Audit Services Provided by Independent Auditors

The Audit Committee nominates, for election by the Issuer's shareholders at the Issuer's annual general meeting, the Issuer's independent auditors to audit the Issuer's financial statements. The Audit Committee is authorized by the Issuer's Board of Directors to review the performance of the Issuer's external auditors, to approve in advance the provision of services by the independent auditors and to consider the independence of the external auditors.

## ITEM 10: CONFLICTS OF INTEREST

Certain of the Issuer's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies and, to the extent that such other companies may pursue business objectives similar to those which the Issuer may pursue, the directors of the Issuer may have a conflict of interest respecting such pursuits. Under the corporate laws applicable to the Issuer, the directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer and to disclose all conflicts to the directors so that appropriate procedures may be established for the circumstances, including abstaining from voting or the establishment of special committees.

## ITEM 11: LEGAL PROCEEDINGS AND REGULATORY ACTIONS

### Legal Proceedings

The Issuer is not a party to, and its properties were not the subject of, any legal proceedings during the financial year ended December 31, 2015 and it does not know of any such proceedings that are contemplated.

### Regulatory Actions

There are no: (a) penalties or sanctions imposed against the Issuer by a court relating to securities legislation or by a securities regulatory authority during the Issuer's most recent completed financial year and up to the date of this AIF; (b) other penalties or sanctions imposed by a court or regulatory body against the Issuer that would likely be considered important to a reasonable court or regulatory body against the Issuer that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Issuer entered into with a court relating to securities legislation or with a securities regulatory authority during the Issuer's most recently completed financial year and up to the date of this AIF.

## ITEM 12: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Issuer's outstanding Common shares, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or is reasonably expected to materially affect the Issuer, except that FCMI Parent Co., an affiliate of FCMI Financial Corporation and controlled by Albert D. Friedberg and members of his immediate family, which together with its affiliates own greater than 10% of the Issuer's outstanding shares, acquired 1,500,000 Common shares of the Issuer for gross proceeds of C$12,150,000 in the Issuer's private placement that closed on October 29, 2015.

## ITEM 13: TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Common shares is Computershare Investor Services Inc. at its principal office at 100 University Avenue, 9 th floor, Toronto, Ontario, Canada M5J 2Y1 and co-transfer points at 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9 and Computershare Trust Company, N.A., at 350 Indiana Street, Suite 800, Golden, Colorado, USA 80401.

## ITEM 14: MATERIAL CONTRACTS

The Issuer is not a party to a material contract that was not entered into in the ordinary course of its business or that is otherwise required to be filed under section 12.2 of National Instrument 51-102 ("NI 51-102") at the time this AIF is filed or would be required to be filed under section 12.2 of NI 51-102 at the time this AIF is filed but for the fact that it was previously filed.

## ITEM 15: INTERESTS OF EXPERTS

None of Michael Lechner, Dr. John Huang, Sabry Abdel Hafez, Hassan Ghaffari, Jim Gray, W.N. Brazier, Pierre Pelletier, Graham Parkinson, Darby Kreitz, Robert Parolin, Warren Newcomen, Kevin Jones, Ross Hammett, Tony Wachmann, Albert Victor Chance, Nigel Goldup and Stephen Day, each being companies or persons who have been named as having prepared or participated in preparing reports relating to the Issuer's mineral properties referred to in this AIF or otherwise filed under NI 51-102 by the Issuer during, or relating to, the Issuer's most recently completed financial year or during the period thereafter to the date of this AIF, or any director, officer, employee or partner thereof, as applicable, holds, received or has received a direct or indirect interest in the property of the Issuer or of any associate or affiliate of the Issuer. To the Issuer's knowledge, as at the dates of their respective reports, the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnership beneficially own, directly or indirectly, in total, less than one percent of the securities of the Issuer and none of them have received securities of the Issuer from the Issuer since such dates.

Neither the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, are currently expected to be elected, appointed or employed as a director, officer or employee of the Issuer or of any associate or affiliate of the Issuer.

William Threlkeld, the Senior Vice President of the Issuer and a Registered Professional Geologist, is named as having prepared or supervised the preparation of technical information in respect of exploration programs of the Issuer at both of the KSM and Courageous Lake projects. As of March 1, 2016, Mr. Threlkeld owns 270,000 Common shares of the Issuer, restricted share units convertible into 15,000 Common shares upon certain milestones and options to purchase 220,000 Common shares at various prices.

The auditors of the Issuer are KPMG LLP of Toronto, Ontario, Canada. KPMG LLP have confirmed that they are independent with respect to the Issuer with the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations, and also that they are independent accountants with respect to the Issuer under all relevant US professional and regulatory standards.

## ITEM 16: ADDITIONAL INFORMATION

Additional information relating to the Issuer may be found on SEDAR at www.sedar.com. The information available at www.sedar.com includes copies of the full text of all of the technical reports prepared for the Issuer in respect of the Issuer's properties described herein.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Issuer's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Issuer's Information Circular for its most recent annual general meeting of securityholders that involved the election of directors.

Additional financial information is provided in the Issuer's consolidated financial statements and management's discussion and analysis for the Issuer's most recent completed financial year.

**SCHEDULE A**

**AUDIT COMMITTEE CHARTER**

The Audit Committee of Seabridge is a committee of the Board composed entirely of three outside and unrelated directors. Its overall goal is to ensure that the Corporation adopts and follows a policy of full, plain, true and timely disclosure of material financial information to its stakeholders Primary responsibility for the Corporation's financial reporting, accounting systems and internal controls lies with management and is overseen by the Board. The Committee assists the Board in fulfilling its responsibilities in this regard. The Committee is mandated to satisfy the requirements of the Canada Business Corporations Act and any other applicable regulatory agencies.

Specifically, the Committee:

(a) reviews the annual statements of the Corporation and makes recommendations to the Board with respect to these statements,

(b) reviews the quarterly financial statements and makes recommendations to the Board with respect to these statements,

(c) reviews all prospectuses, offering circulars, and similar documents,

(d) oversees the adequacy and accuracy of the Corporation's financial disclosure policies and obligations,

(e) reviews significant accounting policies and estimates,

(f) satisfies themselves from discussions with and/or reports from management and reports from the external auditors, that the Corporation's internal controls, financial systems and procedures, and management information systems are appropriate and that internal controls identified are operating effectively,

(g) meets with the Corporation's auditors to review audit, financial reporting and other pertinent matters and to review their recommendations to management, and

(h) recommends the appointment of auditors and reviews the terms of the audit engagement and the appropriateness of the proposed fee,

(i) reviews through discussion or by way of a formal document the plan for the annual audit with the auditors and management,

(j) evaluates the performance of the auditors,

(k) confirms the independence of auditors,

(l) establishes procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters, and

(m) establishes procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Audit Committee meets at a minimum, quarterly and on such other occasions as required. The auditors are invited to attend the meetings.

# SEABRIDGE GOLD INC.

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2015

**Management's Responsibility for Financial Statements**

The accompanying consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Financial statements include certain amounts based on estimates and judgments. When an alternative method exists under IFRS, management has chosen a policy it deems most appropriate in the circumstances in order to ensure that the consolidated financial statements are presented fairly, in all material respects, in accordance with IFRS.

The Company maintains adequate systems of internal controls. Such systems are designed to provide reasonable assurance that transactions are properly authorized and recorded, the Company's assets are appropriately accounted for and adequately safeguarded and that the financial information is relevant and reliable.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting, and is ultimately responsible for reviewing and approving the consolidated financial statements and the accompanying management's discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the consolidated financial statements, management's discussion and analysis, the external auditors' report, examines the fees and expenses for audit services, and considers the engagement or reappointment of the external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the consolidated financial statements for issuance to the shareholders. KPMG LLP, the external auditors, have full and free access to the Audit Committee.

/s/ Rudi P. Fronk
Rudi P. Fronk
Chairman & CEO
March 24, 2016

/s/ Christopher J. Reynolds
Christopher J. Reynolds
Vice President, Finance and Chief Financial Officer
March 24, 2016

**KPMG LLP**
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## INDEPENDENT AUDITORS' REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Seabridge Gold Inc.

We have audited the accompanying consolidated financial statements of Seabridge Gold Inc., which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, the consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2015 and December 31, 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board , and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Seabridge Gold Inc. as at December 31, 2015 and December 31, 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board .

*Other Matter*

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Seabridge Gold Inc.'s internal control over financial reporting as of December 31, 2015, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 24, 2016 expressed an unmodified (unqualified) opinion on the effectiveness of Seabridge Gold Inc.'s internal control over financial reporting.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

March 24, 2016
Toronto, Canada

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

To the Shareholders and Board of Directors of Seabridge Gold Inc.

We have audited Seabridge Gold Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Seabridge Gold Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included under the heading Internal Controls over Financial Reporting in Management's Discussion and Analysis for the year ended December 31, 2015. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Seabridge Gold Inc. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

We also have audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Seabridge Gold Inc. as of December 31, 2015 and December 31, 2014, and the related consolidated statements of operations and comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2015 and December 31, 2014, and our report dated March 24, 2016 expressed an unmodified (unqualified) opinion on those consolidated financial statements.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
March 24, 2016
Toronto, Canada

**SEABRIDGE GOLD INC.**
**Consolidated Statements of Financial Position**
(Expressed in thousands of Canadian dollars)

| | Note | December 31, 2015 | December 31, 2014 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | **4** | **990** | 256 |
| Short-term deposits | **4** | **14,540** | 6,037 |
| Amounts receivable and prepaid expenses | **5** | **565** | 5,092 |
| Investments | **6** | **4,039** | 4,897 |
| | | **20,134** | 16,282 |
| **Non-current assets** | | | |
| Mineral interests | **7** | **278,798** | 260,521 |
| Reclamation deposits | **9** | **1,595** | 1,553 |
| Total non-current assets | | **280,393** | 262,074 |
| **Total assets** | | **300,527** | 278,356 |
| | | | |
| **Liabilities and shareholders' equity** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | **8** | **1,392** | 3,737 |
| Taxes payable | | **-** | 65 |
| Flow-through share premium | **10** | **981** | 941 |
| | | **2,373** | 4,743 |
| **Non-current liabilities** | | | |
| Deferred income tax liabilities | **14** | **14,841** | 12,430 |
| Provision for reclamation liabilities | **9** | **1,329** | 1,349 |
| Total non-current liabilities | | **16,170** | 13,779 |
| **Total liabilities** | | **18,543** | 18,522 |
| | | | |
| **Shareholders' equity** | **10** | **281,984** | 259,834 |
| **Total liabilities and shareholders' equity** | | **300,527** | 278,356 |

Commitments *(Note 15)*

The accompanying notes form an integral part of these consolidated financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf:

/s/ Rudi P. Fronk
Rudi P. Fronk
Director

/s/ Jay S. Layman
Jay S. Layman
Director

**SEABRIDGE GOLD INC.**
**Consolidated Statements of Operations and Comprehensive Loss**
(Expressed in thousands of Canadian dollars except common share and per common share amounts)

| | Note | 2015 | 2014 |
|---|---|---|---|
| Corporate and administrative expenses | **12** | **(9,410)** | (14,091) |
| Gain on disposition of mineral properties | **7** | **1,000** | 2,489 |
| Other income - flow-through shares | **10** | **2,907** | 7,489 |
| Impairment of mineral interests | **7** | **(350)** | (2,437) |
| Impairment of investments | **6** | **(891)** | (1,236) |
| Other gains on investments | **6** | **266** | 517 |
| Interest income | | **101** | 190 |
| Finance expense and other | | **(20)** | (20) |
| Foreign exchange gain (loss) | | **31** | (25) |
| **Loss before income taxes** | | **(6,366)** | (7,124) |
| Income tax expense | **14** | **(2,700)** | (5,899) |
| **Loss for the year** | | **(9,066)** | (13,023) |
| | | | |
| **Other comprehensive loss, net of income taxes:** | | | |
| Reclassification of previously deferred gains on available for sale investments | | - | (1,272) |
| **Items that may subsequently be reclassified to profit or loss:** | | | |
| Unrealized gain on available for sale investments | **6** | **97** | 166 |
| Total other comprehensive loss | | **97** | (1,106) |
| **Comprehensive loss for the year** | | **(8,969)** | (14,129) |
| | | | |
| **Basic and diluted net loss per Common Share** | | **(0.18)** | (0.27) |
| | | | |
| **Basic weighted average number of common shares outstanding** | | **49,825,270** | 47,655,513 |

The accompanying notes form an integral part of these consolidated financial statements.

**SEABRIDGE GOLD INC.**
**Consolidated Statements of Changes in Shareholders' Equity**
(Expressed in thousands of Canadian dollars except number of shares)

| | Shares | Share Capital | Stock-based Compensation | Contributed Surplus | Deficit | Accumulated Other Comprehensive Income | Total Equity |
|---|---|---|---|---|---|---|---|
| As at January 1, 2015 | **48,438,876** | **295,545** | **29,197** | **15,061** | **(80,009)** | **40** | **259,834** |
| Share issuance | **3,437,500** | **28,284** | **-** | **-** | **-** | **-** | **28,284** |
| Share issuance costs | **-** | **(1,101)** | **-** | **-** | **-** | **-** | **(1,101)** |
| Stock-based compensation | **-** | **-** | **3,647** | **-** | **-** | **-** | **3,647** |
| Shares - RSUs | **263,250** | **2,607** | **(2,607)** | **-** | **-** | **-** | **-** |
| Expired options | **-** | **-** | **(7,646)** | **7,646** | **-** | **-** | **-** |
| Deferred tax | **-** | **289** | **-** | **-** | **-** | **-** | **289** |
| Other comprehensive gain | **-** | **-** | **-** | **-** | **-** | **97** | **97** |
| Net loss for the year | **-** | **-** | **-** | **-** | **(9,066)** | **-** | **(9,066)** |
| **As at December 31, 2015** | **52,139,626** | **325,624** | **22,591** | **22,707** | **(89,075)** | **137** | **281,984** |
| | | | | | | | |
| As at January 1, 2014 | 47,081,376 | 283,544 | 26,818 | 9,233 | (66,986) | 1,146 | 253,755 |
| Share issuance | 1,205,000 | 11,205 | - | - | - | - | 11,205 |
| Share issuance costs | - | (919) | - | - | - | - | (919) |
| Stock-based compensation | - | - | 9,679 | - | - | - | 9,679 |
| Shares - RSUs | 152,500 | 1,472 | (1,472) | - | - | - | - |
| Expired options | - | - | (455) | 455 | - | - | - |
| Cancelled options | - | - | (5,373) | 5,373 | - | - | - |
| Deferred tax | - | 243 | - | - | - | - | 243 |
| Other comprehensive loss | - | - | - | - | - | (1,106) | (1,106) |
| Net loss for the year | - | - | - | - | (13,023) | - | (13,023) |
| As at December 31, 2014 | 48,438,876 | 295,545 | 29,197 | 15,061 | (80,009) | 40 | 259,834 |

The accompanying notes form an integral part of these consolidated financial statements.

**SEABRIDGE GOLD INC.**
**Consolidated Statements of Cash Flows**
(Expressed in thousands of Canadian dollars)

| | **2015** | 2014 |
|---|---|---|
| **Operating Activities** | | |
| Net loss | **(9,066)** | (13,023) |
| Items not affecting cash: | | |
| Impairment of mineral interests | **350** | 2,437 |
| Gain on disposition of mineral properties | **(1,000)** | (2,489) |
| Stock-based compensation | **3,647** | 9,679 |
| Other income - flow-though shares | **(2,907)** | (7,489) |
| Impairment of investments | **891** | 1,236 |
| Other loss on investments | **(300)** | (517) |
| Income tax expense | **2,700** | 5,899 |
| Finance expense and other | **20** | 20 |
| Taxes paid | **(58)** | (1,219) |
| Changes in non-cash working capital items: | | |
| Amounts receivable and prepaid expenses | **408** | (253) |
| Accounts payable and accrued liabilities | **(2,111)** | 1,465 |
| **Net cash used in operating activities** | **(7,426)** | (4,254) |
| | | |
| **Investing Activities** | | |
| Mineral interests | **(18,602)** | (30,988) |
| Mineral exploration tax credits | **4,119** | 4,435 |
| Purchase of short-term deposits | **(30,000)** | (12,000) |
| Redemption of short-term deposits | **21,497** | 26,054 |
| Disposition of mineral interests | **1,000** | 1,000 |
| Cash proceeds from sale of investments | **294** | 2,065 |
| **Net cash used in investing activities** | **(21,692)** | (9,434) |
| | | |
| **Financing Activities** | | |
| Issue of share capital (net of transaction costs) | **29,852** | 12,881 |
| **Net increase (decrease) in cash and cash equivalents during the year** | **734** | (807) |
| | | |
| **Cash and cash equivalents, beginning of the year** | **256** | 1,063 |
| **Cash and cash equivalents, end of the year** | **990** | 256 |

The accompanying notes form an integral part of these consolidated financial statements.

## 1. Reporting entity

Seabridge Gold Inc. is comprised of Seabridge Gold Inc. ("Seabridge" or the "Company") and its subsidiaries (Seabridge Gold (NWT) Inc. and Seabridge Gold Corp.) and is a company engaged in the acquisition and exploration of gold properties located in North America. The Company was incorporated under the laws of British Columbia, Canada on September 4, 1979 and continued under the laws of Canada on October 31, 2002. Its common shares are listed on the Toronto Stock Exchange trading under the symbol "SEA" and on the New York Stock Exchange under the symbol "SA". The Company is domiciled in Canada, the address of its registered office is 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5 and the address of its corporate office is 106 Front Street East, 4th Floor, Toronto, Ontario, Canada M5A 1E1.

## 2. Statement of compliance and basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were authorized for issuance by the Board of Directors of the Company on March 24, 2016.

## 3. Significant accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

### (a) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for available for sale financial assets, other assets at fair value through profit and loss and stock based compensation, which are measured at fair value.

### (b) Basis of consolidation – subsidiaries

Subsidiaries are entities over which the Company has control. Control over an entity exists when the Company is exposed or has rights to returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the purchase consideration over such fair value being recorded as goodwill and allocated to cash generating units. Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of operations and comprehensive loss.

Where a business combination is achieved in stages, previously held equity interests in the acquiree are re-measured at acquisition-date fair value and any resulting gain or loss is recognized in the consolidated statement of operations and comprehensive loss. Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

(c) **Associates**

An associate is an entity over which the Company has significant influence but not control and one that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20% if influence is exerted over policy decisions that affect the entity. The Company's share of the net assets and net income or loss of associates is accounted for in the consolidated financial statements using the equity method of accounting.

(d) **Translation of foreign currencies**

These consolidated financial statements are presented in Canadian dollars, which is the Company's, and each of its subsidiary's, functional currency.

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the consolidated statement of operations and comprehensive loss.

Monetary assets and liabilities of the Company denominated in a foreign currency are translated into Canadian dollars at the rate of exchange at the statement of financial position date. Non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at average exchange rates prevailing during the period. Exchange gains and losses are included in the determination of profit or loss for the year.

(e) **Critical accounting judgments and estimation uncertainty**

In applying the Company's accounting policies in conformity with IFRS, management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities. These estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

**(i) Critical accounting judgments**

The following are the critical judgments, that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements (refer to appropriate accounting policies for details).

(a) Mineral reserves and resources

To calculate reserves and resources, the Company uses assumptions and evaluates technical, economic and geological conditions for each ore body. Measured grade of the ore and its metallurgy can have a significant effect on the carrying value of mineral properties and therefore the recoverability of costs. Future market prices for gold and copper and other commodities are also factored into valuation models. Changes to these factors can affect the recoverability of mineral properties and impairment thereto.

(b) Impairment of assets

When there has been a decline in the fair value of an investment in marketable securities that the Company has judged to be significant or prolonged, the investment is written down to fair value and the loss is recognized in the statement of operations and comprehensive loss. For mineral properties, should the Company decide to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment at that time.

**(ii) Key sources of estimation uncertainty**

(a) Mineral properties

The recoverability of the carrying value of mineral properties and associated deferred exploration expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, the ability of the Company and its subsidiaries to obtain necessary financing to complete the development, and future profitable production or the proceeds of disposition thereof.

(b) Asset retirement obligations

The provision for asset retirement obligations is the best estimate of the present value of the future costs of reclaiming the environment that has been subject to disturbance through exploration activities or historical mining activities. The Company uses assumptions and evaluates technical conditions for each project that have inherent uncertainties, including changes to laws and practices and to changes in the status of the site from time-to-time. The timing and cost of the rehabilitation is also subject to uncertainty. These changes, if any, are recorded on the statement of financial position as incurred.

(c) Share based payments

The factors affecting stock-based compensation include estimates of when stock options and restricted share units might be exercised and share price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors, including the market value of the Company's shares and financial objectives of the share-based instrument holders. The Company used historical data to determine volatility in accordance with the Black-Scholes model. However, the future volatility is uncertain and the model has its limitations.

(d) Deferred Income taxes

The Company has net assets in Canada and the United States and files corporate tax returns in each. Deferred tax liabilities are estimated for tax that may become payable in the future. Future payments could be materially different from our estimated deferred tax liabilities. We have deferred tax assets related to non-capital losses and other deductible temporary differences. Deferred tax assets are only recognized to the degree that it shelters tax liabilities or when it is probable that there will be sufficient taxable income in the future to recover them.

(f) **Cash and cash equivalents and short-term deposits**

Cash and cash equivalents and short-term deposits consist of balances with banks and investments in money market instruments. These instruments are carried at fair value through profit or loss. Cash and cash equivalents consist of investments with maturities of up to 90 days at the date of purchase. Short-term deposits consist of investments with maturities from 91 days to one year at the date of purchase.

(g) **Investments**

Investments in marketable securities accounted for as available-for-sale securities are recorded at fair value. The fair values of the investments are determined based on the closing prices reported on recognized securities exchanges and over-the-counter markets. Such individual market values do not necessarily represent the realizable value of the total holding of any security, which may be more or less than that indicated by market quotations. Increases or decreases in the market value of investments are recorded in other comprehensive income net of related income taxes. When there has been a loss in the value of an investment in marketable securities that is determined to be significant or prolonged, the investment is written down and the loss is recorded in the statement of operations and comprehensive loss.

(h) **Mineral interests**

Mineral resource properties are carried at cost. The Company considers exploration and development costs and expenditures to have the characteristics of property, plant and equipment and, as such, the Company capitalizes all exploration costs, which include license acquisition costs, advance royalties, holding costs, field exploration and field supervisory costs and all costs associated with exploration and evaluation activities relating to specific properties as incurred, until those properties are determined to be economically viable for mineral production. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to activities in a particular area of interest. The fair value of any recoveries from the disposition or optioning of a mineral property is credited to the carrying value of mineral properties.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial operations.

The actual recovery value of capitalized expenditures for mineral properties and deferred exploration costs will be contingent upon the discovery of economically viable reserves and the Company's financial ability at that time to fully exploit these properties or determine a suitable plan of disposition.

When a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to development properties, and then amortized over the life of the reserves associated with the area of interest once mining operations have commenced.

(i) **Property and equipment**

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The cost of property and equipment comprises its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated closure and restoration costs associated with the asset. Depreciation is provided using the straight-line method at an annual rate of 20% from the date of acquisition. Residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Changes to the estimated residual values or useful lives are accounted for prospectively.

(j) **Impairment of non-financial assets**

The carrying value of the Company's mineral interests is assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated to determine the extent of the impairment loss, if any. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment is determined on an asset by asset basis, whenever possible. If it is not possible to determine impairment on an individual asset basis, then impairment is considered on the basis of a cash generating unit ("CGU"). CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other group of assets.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged immediately to comprehensive loss within the statement of operations and comprehensive loss so as to reduce the carrying amount to its recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of operations and comprehensive loss.

(k) **Reclamation liabilities**

Provisions for environmental restoration are recognized when: (i) the Company has a present legal or constructive obligation as a result of past exploration, development or production events; (ii) it is probable that an outflow of resources will be required to settle the obligation; (iii) and the amount can be reliably estimated. Provisions do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a formal report and are subject to regular review.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation incorporating risks specific to the obligation using a pre-tax rate that reflects current market assessments of the time value of money. When estimates of obligations are revised, the present value of the changes in obligations is recorded in the period by a change in the obligation amount and a corresponding adjustment to the mineral interest asset.

The amortization or 'unwinding' of the discount applied in establishing the net present value of provisions due to the passage of time is charged to the statement of operations and comprehensive loss in each accounting period.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in ore reserves or production rates. As a result there could be significant adjustments to the provisions for restoration and environmental cleanup, which would affect future financial results.

Funds on deposit with third parties provided as security for future reclamation costs are included in reclamation deposits on the statement of financial position.

(l) **Income taxes**

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred tax is not recognized for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill which is not deductible for tax purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company has certain non-monetary assets and liabilities for which the tax reporting currency is different from its functional currency. Any translation gains or losses on the remeasurement of these items at current exchange rates versus historic exchange rates that give rise to a temporary difference is recorded as a deferred tax asset or liability.

(m) **Stock-based compensation (options and restricted share units)**

The Company applies the fair value method for stock-based compensation and other stock-based payments. The fair value of options is valued using the Black Scholes option-pricing model and other models for the two-tiered options and restricted share units as may be appropriate. The grant date fair value of stock-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date (Note 10). The Company reviews estimated forfeitures of options on an ongoing basis.

(n) **Flow-through shares**

The Company finances a portion of its exploration activities through the issuance of flow-through common shares. The tax deductibility of qualifying expenditures is transferred to the investor purchasing the shares. Consideration for the transferred deductibility of the qualifying expenditures is often paid through a premium price over the market price of the Company's shares. The Company reports this premium as a liability on the statement of financial position and the balance is reported as share capital. At each reporting period, and as qualifying expenditures have been incurred, the liability is reduced on a proportionate basis and income is recognized in the statement of operations and comprehensive loss.

(o) **Net profit (loss) per common share**

Basic profit (loss) per common share is computed based on the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share which assumes that stock options and RSUs with an exercise price lower than the average quoted market price were exercised at the later of the beginning of the year, or time of issue. Stock options with an exercise price greater than the average quoted market price of the common shares and RSUs are not included in the calculation of diluted profit per share as the effect is anti-dilutive.

(p) **Financial assets and liabilities**

Financial assets within the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

The Company's financial instruments are comprised of the following:

| Financial assets: | Classification: |
|---|---|
| Cash and cash equivalents | Fair value through profit or loss |
| Short-term deposits | Fair value through profit or loss |
| Amounts receivable | Loans and receivables |
| Investments | Available for sale |

| Financial liabilities: | Classification: |
|---|---|
| Accounts payable and other liabilities | Other financial liabilities |

(i) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as fair value through profit or loss.

(ii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit or loss or available for sale. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the consolidated statement of operations and comprehensive loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

(iii) Available for sale investments:

Financial assets classified as available-for-sale are measured at fair value, with changes in fair values recognized in other comprehensive income, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in other comprehensive income is recognized within the consolidated statement of operations and comprehensive loss.

(iv) Fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

(v) Impairment of financial assets:

Financial assets are assessed for indicators of impairment at each financial reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the instrument have been impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In the case of an impairment loss reversal being recorded for available-for-sale marketable securities, the reversal is recorded in other comprehensive income.

(q) **New accounting standards not yet adopted**

New standards and amendments to standards that are relevant to the Company and effective for annual periods beginning on or after January 1, 2016, that have not been applied in preparing these consolidated financial statements are:

IAS 1, Presentation of Financial Statements (“IAS 1”) introduces amendments to improve presentation and disclosure in financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The Company intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the amendments to have a material impact on the financial statements.

IFRS 9, Financial instruments (“IFRS 9”) introduces new requirements for classification and measurement of financial assets, additional changes to financial liabilities and a new general hedge accounting standard. The mandatory effective date is for annual periods beginning on or after January 1, 2018. Early adoption is permitted and the new standard must be applied retrospectively, with some exceptions. The Company does not expect the standard will have a material impact on the financial statements upon adoption.

Amendments to IFRS 11, Joint Operations ("IFRS 11") requires business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business and apply prospectively for annual periods beginning on or after January 1, 2016. The Company will adopt the amendments to IFRS 11 in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the amendments to have a material impact on the financial statements.

IFRS 15, Revenue from contracts with customers ("IFRS 15") will replace IAS 18 Revenue, IAS 11 Construction contracts, and some revenue-related interpretations. The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue at either a point in time or over time. The model features a five-step analysis of transactions to determine when and how much revenue should be recognized. New estimates and judgmental thresholds were introduced, which may affect the amount and/or timing of revenue recognized. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The Company does not expect the standard will have a material impact on the financial statements upon adoption.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets state that revenue-based methods of depreciation cannot be used for property, plant and equipment and the amendments in IAS 38 introduce the supposition that the use of revenue-based amortization methods for intangible assets is inappropriate. The Company will adopt the amendments to IAS 16 and IAS 38 in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the amendments will have a material impact on the financial statements upon adoption.

**4. Cash and cash equivalents and short-term deposits**

| *($000's)* | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Cash and cash equivalents | **990** | 256 |
| Short-term deposits | **14,540** | 6,037 |
| | **15,530** | 6,293 |

Short-term deposits consist of Canadian Schedule I bank guaranteed notes with terms from 91 days up to one year but are cashable in whole or in part with interest at any time to maturity. All of the cash and cash equivalents are held in a Canadian Schedule I bank.

**5. Amounts receivable and prepaid expenses**

| *($000's)* | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Provincial tax credits | **-** | 4,246 |
| HST | **249** | 389 |
| Prepaid expenses | **316** | 229 |
| Other receivables | **-** | 228 |
| | **565** | 5,092 |

## 6. Investments

| *($000's)* | **January 1, 2015** | **Acquisitions** | **Dispositions** | **Gain on Disposition** | **Gain (loss) of associates** | **Impairment** | **Comprehensive gain** | **December 31, 2015** |
|---|---|---|---|---|---|---|---|---|
| Available-for-sale investments | **3,246** | **-** | **(294)** | **28** | **-** | **(346)** | **97** | **2,731** |
| Investment in associate | **1,651** | **-** | **-** | **-** | **202** | **(545)** | **-** | **1,308** |
| | **4,897** | **-** | **(294)** | **28** | **202** | **(891)** | **97** | **4,039** |

| *($000's)* | January 1, 2014 | Acquisitions | Dispositions | Gain on Relassification | Gain (loss) of associates | Impairment | Comprehensive loss | December 31, 2014 |
|---|---|---|---|---|---|---|---|---|
| Available-for-sale investments | 5,179 | 1,581 | (2,082) | 1,144 | (403) | (1,067) | (1,106) | 3,246 |
| Investment in associate | 1,924 | 103 | - | - | (207) | (169) | - | 1,651 |
| | 7,103 | 1,684 | (2,082) | 1,144 | (610) | (1,236) | (1,106) | 4,897 |

The Company holds common shares of several mining companies that were received as consideration for optioned mineral properties and other short-term investments, including one gold exchange traded receipt. These available-for- sale financial assets are recorded at fair value of $2.7 million (2014 - $3.2 million) on the statements of financial position. The Company disposed of $0.3 million of these investments during 2015 and recognized a marginal gain. Also in 2015, the Company determined that the recoverability of some of its remaining available-for-sale investments was impaired and recorded a $0.3 million (2014 - $1.1 million) charge to the statement of operations and comprehensive loss.

The Company holds one investment in an associate that is accounted for on the equity basis. During the year ended December 31, 2015, the Company recorded its proportionate share of the net income of the associate of $0.2 million (2014 – $0.2 million loss) within other gains on investments on the statement of operations and comprehensive income and, at December 31, 2015, after recognizing an impairment to the recoverability of the investment of $0.5 million (2014 - $0.2 million), carried the investment at $1.3 million on the statement of financial position.

The Company had previously accounted for the investment at fair value as it was classified as an available-for-sale asset. During 2014, the Company obtained significant influence over this investment and on reclassification from available-for-sale to associate the Company recognized a gain of $0.6 million on the statement of operations and comprehensive loss. The gain was comprised of $1.3 million of deferred gains, previously recognized in accumulated other comprehensive income and $0.7 million loss in the first fiscal quarter of 2014, representing the change in fair value of the investment during the period, prior to obtaining significant influence.

## 7. Mineral Interests

Mineral interest expenditures on projects are considered as exploration and evaluation and their related costs consist of the following:

| *($000's)* | **Balance, January 1, 2015** | **Expenditures 2015** | **Recoveries 2015** | **Impairment 2015** | **Balance, December 31, 2015** |
|---|---|---|---|---|---|
| KSM | **191,929** | **18,000** | **-** | **-** | **209,929** |
| Courageous Lake | **67,471** | **627** | **-** | **-** | **68,098** |
| Nevada Projects | **350** | **-** | **-** | **(350)** | **-** |
| Grassy Mountain | **771** | **-** | **-** | **-** | **771** |
| | **260,521** | **18,627** | **-** | **(350)** | **278,798** |

| *($000's)* | Balance, January 1, 2014 | Expenditures 2014 | Recoveries 2014 | Impairment 2014 | Balance, December 31, 2014 |
|---|---|---|---|---|---|
| KSM | 165,196 | 30,852 | (4,119) | - | 191,929 |
| Courageous Lake | 66,585 | 886 | - | - | 67,471 |
| Nevada Projects | 2,882 | - | (95) | (2,437) | 350 |
| Grassy Mountain | 771 | - | - | - | 771 |
| | 235,434 | 31,738 | (4,214) | (2,437) | 260,521 |

Continued exploration of the Company's mineral properties is subject to certain lease payments, project holding costs, rental fees and filing fees.

a) **KSM (Kerr-Sulphurets-Mitchell)**

In 2001, the Company purchased a 100% interest in contiguous claim blocks in the Skeena Mining Division, British Columbia. The vendor maintains a 1% net smelter royalty interest on the project, subject to maximum aggregate royalty payments of $4.5 million. The Company is obligated to purchase the net smelter royalty interest for the price of $4.5 million in the event that a positive feasibility study demonstrates a 10% or higher internal rate of return after tax and financing costs.

In 2002, the Company optioned the KSM property to Noranda Inc. (which subsequently became Falconbridge Limited and then Xstrata plc.- now Glencore plc) which could earn up to a 65% interest by incurring exploration expenditures and funding the cost of a feasibility study. In April 2006, the Company reacquired the exploration rights to the KSM property from Falconbridge. On closing of the formal agreement in August 2006, the Company issued Falconbridge 200,000 common shares of the Company with a deemed value of $3,140,000 excluding share issue costs. The Company also issued 2 million warrants to purchase common shares of the Company with an exercise price of $13.50 each. The 2,000,000 warrants were exercised in 2007 and proceeds of $27,000,000 were received by the Company.

In July 2009, the Company agreed to acquire various mineral claims immediately adjacent to the KSM property for further exploration and possible mine infrastructure use. The terms of the agreement required the Company to pay $1 million in cash, issue 75,000 shares and pay advance royalties of $100,000 per year for 10 years commencing on closing of the agreement. The property is subject to a 4.5% net smelter royalty from which the advance royalties are deductible. The purchase agreement closed in September 2009, with the payment of $1 million in cash, the issuance of 75,000 shares valued at $2,442,750 and the payment of the first year's $100,000 advance royalty.

In February 2011, the Company acquired a 100% interest in adjacent mineral claims mainly for mine infrastructure purposes for a cash payment of $675,000, subject to a 2% net smelter returns royalty on these adjacent claims.

In 2011 and 2012, the Company completed agreements granting a third party an option to acquire a 2% net smelter royalty on all gold and silver production sales from KSM for a payment equal to the lesser of $160 million or US$200 million. The option is exercisable for a period of 60 days following the announcement of receipt of all material approvals and permits, full project financing and certain other conditions for the KSM project.

In 2014, approval of an environmental assessment application, submitted to provincial and federal regulators in 2013 was obtained. Also in 2014, the Company applied for $4.1 million of refundable provincial tax credits related to exploration expenditures incurred in 2011 at KSM and the recovery was credited to mineral properties and a corresponding receivable was recognized on the December 31, 2014 statement of financial position. In 2015 the Company collected the funds.

In 2015, $18 million of expenditures were incurred on the KSM project as the Company finalized the analysis of the resource update on Deep Kerr and Iron Cap Lower Zone from the 2014 exploration drilling and executed the 2015 exploration and drilling program.

b) **Courageous Lake**

In 2002, the Company purchased a 100% interest in the Courageous Lake gold project from Newmont Canada Limited and Total Resources (Canada) Limited ("the Vendors") for US$2.5 million. The Courageous Lake gold project consists of mining leases located in Northwest Territories of Canada.

In 2004, an additional property was optioned in the area. Under the terms of the agreement, the Company paid $50,000 on closing and was required to make option payments of $50,000 on each of the first two anniversary dates and subsequently $100,000 per year up to a total of $1,250,000. The Company has made $950,000 in payments and is committed to make three additional annual payments until 2017. The property may be purchased outright at any time with the accelerated payment of the remaining balance.

In 2015, the Company incurred $0.6 million of exploration and other costs completing a limited exploration program while the Company continues its primary focus on exploration programs at KSM.

c) **Grassy Mountain**

In 2000, the Company acquired an option on a 100% interest in mineral claims located in Malheur County, Oregon, USA. During 2002, the Company paid US$50,000 in option payments. On December 23, 2002, the agreement was amended and the Company made a further option payment of US$300,000 and in March 2003 acquired the property for a payment of US$600,000.

In April 2011, the Company announced that an agreement had been reached to option the Grassy Mountain project to Calico Resources Corp. ("Calico") which was subsequently amended in 2013. In the original agreement, in order to exercise the option, Calico was to issue to the Company (i) two million of its common shares following TSX Venture Exchange approval; (ii) four million of its common shares at the first anniversary, and (iii) eight million of its shares when the project has received the principal mining and environmental permits necessary for the construction and operation of a mine. The Company received the first two million common shares of Calico in 2011 and a value of $740,000 was recorded as a reduction to the carrying value of the mineral properties. In February 2013, the agreement was amended to allow for an accelerated exercise of the option and Calico issued 6,433,000 common shares and 4,567,000 special warrants to acquire a 100% interest in the Grassy Mountain project. Each special warrant was exercisable to acquire one common share of Calico for no additional consideration. The fair value of the shares and special warrants reduced the carrying value of the mineral properties at the time of receipt of the securities. During 2013 and 2014, the Company elected to convert all of the special warrants into common shares.

In addition to the shares and special warrants received as consideration, after the delivery of a National Instrument 43-101 compliant feasibility study on the project, Calico must either grant the Company a 10% net profits interest or pay the Company $10 million in cash, at the sole election of the Company. Following the de-recognition of the Grassy Mountain net assets, in 2013, a value of $771,000 has been retained within mineral properties.

d) **Nevada Projects**

In June 2011, the Company entered into an agreement letter of intent with Golden Predator Corp. pursuant to which the Company and Golden Predator Corp., would contribute a portfolio of mineral properties into a new private company called Wolfpack Gold Corp. ("Wolfpack"). The transaction was closed on June 26, 2012 and certain properties were transferred to Wolfpack, from the Company, while others were optioned. In total, 5,506,500 shares of Wolfpack were received as consideration for the optioned and transferred properties.

In 2014, the Company was notified that the option to purchase Four Mile Basin and Liberty Springs would be discontinued. The Company decided not to continue to carry the maintenance costs of these claims and determined that the recoverability of the carrying costs was impaired and charged the statement of operations $2.4 million in that year. Similarly, in the current year, the Company was notified that the remaining option on Castle Black Rock would be discontinued and the Company fully impaired the remaining carrying cost of the Nevada projects.

e) **Other mineral properties**

(i) Red Mountain

In 2001, the Company purchased a 100% interest in an array of assets associated with mineral claims in the Skeena Mining Division, British Columbia, together with related project data and drill core, an owned office building and a leased warehouse, various mining equipment on the project site, and a mineral exploration permit which is associated with a cash reclamation deposit of $1 million.

The Company assumed all liabilities associated with the assets acquired, including all environmental liabilities, all ongoing licensing obligations and ongoing leasehold obligations including net smelter royalty obligations on certain mineral claims ranging from 2.0% to 6.5% as well as an annual minimum royalty payment of $50,000.

In 2014, the Company entered into an agreement with IDM Mining ("IDM") to option the Red Mountain Project. In order to exercise its option, IDM paid the Company $1 million in 2014 and another $1 million in 2015. IDM also issued to the Company 4,955,500 common shares, the fair value of which was $1.5 million, and was recorded in investments on the statement of financial position. IDM is also obligated to spend $7.5 million on the Red Mountain Project over a three year period. At the time of the receipt of the cash and shares mentioned above, there was no carrying value recorded for Red Mountain, as all historical acquisition and exploration costs had been fully recovered through option payments and other recoveries and as such, the $1 million received in 2015 and the combined value of the cash and shares of $2.5 million received in 2014 has been recorded on the statement of operations and comprehensive loss as a gain on the disposition of mineral properties in the respective years.

(ii) Quartz Mountain

In 2001, the Company purchased a 100% interest in mineral claims in Lake County, Oregon. The vendor retained a 1% net smelter royalty interest on unpatented claims acquired and a 0.5% net smelter royalty interest was granted to an unrelated party as a finder's fee.

In 2011, subject to an agreement between the Company and Orsa Ventures Corp. ("Orsa") the Company granted Orsa the exclusive option to earn a 100% interest in the Quartz Mountain gold property and all of Seabridge's undivided 50% beneficial joint venture interest in an adjacent peripheral property. The agreement stipulated that Orsa would pay the Company $0.5 million on or before the fifth day following regulatory approval of the option agreement and make staged payments of $5 million in cash or common shares of Orsa, at the discretion of the Company. In 2013, Alamos Gold Inc. ("Alamos") acquired Orsa and its option to acquire Quartz Mountain and the Company received the next staged payment of $2 million from Alamos. There is no carrying value recorded for Quartz Mountain as all historical acquisition and exploration costs have been fully recovered through option payments and other recoveries.

Upon the completion of a feasibility study, Alamos must pay the Company $3 million and either an additional $15 million or provide a 2% net smelter return royalty on production at Quartz Mountain, at the option of the Company.

**8. Accounts payable and accrued liabilities**

| *($000's)* | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Trade payables | **1,104** | 3,545 |
| Trade and other payables due to related parties | **88** | 56 |
| Non-trade payables and accrued expenses | **200** | 136 |
| | **1,392** | 3,737 |

**9. Provision for reclamation liabilities**

| *($000's)* | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Beginning of the year | **1,349** | 1,349 |
| Accretion | **18** | 17 |
| Current year adjustment | **(38)** | (17) |
| End of the year | **1,329** | 1,349 |

The Company's policy on providing for reclamation obligations is described in Note 3. Although the ultimate costs to be incurred are uncertain, the Company's estimates are based on independent studies or agreements with the related government body for each project using current restoration standards and techniques. The estimate of the asset retirement obligations, as at December 31, 2015, was calculated using the total estimated undiscounted cash flows, of $1.5 million (December 31, 2014 - $1.5 million) required to settle estimated obligations and expected timing of cash flow payments required to settle the obligations in 2024. The discount rate used to calculate the present value of the reclamation obligations was 1.4% at December 31, 2015 (1.25% - December 31, 2014). The Company has placed a total of $1.6 million (December 31, 2014 - $1.6 million) on deposit with financial institutions that are pledged as security against the reclamation provision.

## 10. Shareholders' equity

| *($000's)* | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Share capital | **325,624** | 295,545 |
| Stock based compensation | **22,591** | 29,197 |
| Contributed surplus | **22,707** | 15,061 |
| Deficit | **(89,075)** | (80,009) |
| Accumulated other comprehensive income | **137** | 40 |
| | **281,984** | 259,834 |

The Company is authorized to issue an unlimited number of preferred shares and common shares with no par value. No preferred shares have been issued or were outstanding at December 31, 2015 and December 31, 2014.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties that would be accretive and meaningful to the Company. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2015. The Company considers its capital to be share capital, stock based compensation, contributed surplus and deficit.

On October 30, 2015, the Company issued 1,800,000 common shares of the Company, through a non-brokered private placement, at a price of $8.10 per share raising gross proceeds of $14.6 million.

On April 7, 2015 the Company issued 1,610,000 flow-through common shares, at $10.17 per share, raising gross proceeds of $16.4 million. The purchase price represented a 22% premium over the market price of the Company's shares on that date. Share issuance costs of $1.0 million were incurred in relation to the offering and have been included in equity. The Company has committed to renounce its ability to deduct qualifying exploration expenditures for the equivalent value of the gross proceeds of the financings and transfer the deductibility to the purchasers of the flow-through shares. The effective date of the renouncement is December 31, 2015. The $2.9 million premium has been recognized as a liability on the statement of financial position and the balance was recorded as share capital. At each reporting period, and as qualifying expenditures are incurred, the liability is reduced on a proportionate basis and income is recognized on the statement of operations and comprehensive income. In the period April 8, 2015 to December 31, 2015, $2.0 million of the premium was recognized through other income on the statement of operations and comprehensive income for the proportionate amount of qualifying expenditures made relative to the $16.4 million commitment.

On July 22, 2014 the Company issued 1,150,000 flow-through common shares, at $12.00 per share, raising gross proceeds of $13.8 million. The purchase price represented a 29% premium over the market price of the Company's shares on that date. The Company committed to renounce its ability to deduct qualifying exploration expenditures for the equivalent value of the gross proceeds of the financings and transfer the deductibility to the purchasers of the flow-through shares. The effective date of the renouncement of these expenditures was December 31, 2014. The full premium of $3.1 million was initially recognized as a liability on the statement of financial position and the balance was recorded as share capital. At each reporting period, and as qualifying expenditures were incurred, the liability was being reduced on a proportionate basis and income was recognized on the statement of operations and comprehensive loss. In the period July 22, 2014 to December 31, 2014 $2.2 million of the premium was recognized through other income on the statement of operations for the proportionate amount of qualifying expenditures made relative to the $13.8 million commitment. The remaining $0.9 million liability was amortized and recorded as income on the statement of operations and comprehensive loss in 2015 based on qualifying expenditures in the current year. Share issuance costs of $0.9 million were incurred in 2014 in relation to the offering and have been included in equity.

On December 10, 2013 the Company issued 1,500,000 flow-through common shares, at $11.17 per share, raising gross proceeds of $16.8 million. The purchase price represented a 46.6% premium over the market price of the Company's shares on that date. The Company has renounced its ability to deduct qualifying exploration expenditures for the equivalent value of the gross proceeds of the financing and has transferred the deductibility to the purchasers of the flow-through shares. The premium of $5.3 million was initially recognized as a liability on the statement of financial position and the balance was recorded as share capital. At each reporting period, and as qualifying expenditures were incurred, the liability was reduced on a proportionate basis and income is recognized on the statement of operations and comprehensive loss. Share issuance costs of $1.1 million were incurred in 2013 in relation to the offering and have been included in equity. The Company incurred the full $16.8 million of qualifying expenditures in 2014 and the premium has been fully amortized through the statement of operations and comprehensive loss.

The Company provides compensation to directors and employees in the form of stock options and a Restricted Share Units ("RSU"), plan implemented in 2013.

Pursuant to the Share Option Plan, the Board of Directors has the authority to grant options, and to establish the exercise price and life of the option at the time each option is granted, at a price not less than the closing price of the Common Shares on the Toronto Stock Exchange on the date of the grant of such option and for a period not exceeding five years. All exercised options are settled in equity.

Pursuant to the Company's RSU Plan, the Board of Directors has the authority to grant RSUs, and to establish terms of the RSUs including the vesting criteria and the life of the RSU. The life of the RSU is not to exceed two years.

Stock option and RSU transactions were as follows:

| | Options | Weighted Average Exercise Price ($) | Amortized Value of options ($000's) | RSUs | Amortized Value of RSUs ($000's) | Stock-based Compensation ($000's) |
|---|---|---|---|---|---|---|
| **Outstanding January 1, 2015** | 3,240,000 | 17.62 | 27,427 | 355,000 | 1,770 | 29,197 |
| Granted | 840,000 | 9.93 | 1,698 | 94,000 | 1,826 | 3,524 |
| Exercised option or vested RSU | - | 9.90 | - | (263,250) | (2,583) | (2,583) |
| Cancelled | - | 9.63 | - | (2,500) | (24) | (24) |
| Expired | (495,000) | 29.75 | (7,646) | - | - | (7,646) |
| Amortized value of stock based compensation granted in prior years | - | - | 123 | - | - | 123 |
| **Outstanding December 31, 2015** | 3,585,000 | 14.15 | 21,602 | 183,250 | 989 | 22,591 |
| | | | | | | |
| **Exercisable at December 31, 2015** | 2,888,333 | | | - | | |

| | Options | Weighted Average Exercise Price ($) | Amortized Value of options ($000's) | RSUs | Amortized Value of RSUs ($000's) | Stock-based Compensation ($000's) |
|---|---|---|---|---|---|---|
| **Outstanding January 1, 2014** | 2,925,000 | 21.11 | 26,734 | 235,000 | 84 | 26,818 |
| Granted | 750,000 | 10.32 | 3,181 | 272,500 | 1,099 | 4,280 |
| Exercised option or vested RSU | - | - | - | (152,500) | (1,472) | (1,472) |
| Cancelled | (400,000) | 28.98 | (5,373) | | | (5,373) |
| Expired | (35,000) | 23.02 | (455) | - | - | (455) |
| Amortized value of stock based compensation | - | - | - | - | - | - |
| granted in prior years | - | - | 3,340 | - | 2,059 | 5,399 |
| **Outstanding December 31, 2014** | 3,240,000 | 17.62 | 27,427 | 355,000 | 1,770 | 29,197 |
| | | | | | | |
| **Exercisable at December 31, 2014** | 3,046,666 | | | - | | |

The outstanding share options at December 31, 2015 expire at various dates between March 2016 and December 2020. A summary of options outstanding, their remaining life and exercise prices as at December 31, 2015 is as follows:

| | Options Outstanding | | Options Exercisable |
|---|---|---|---|
| **Exercise price** | **Number outstanding** | **Remaining contractual life** | **Number Exercisable** |
| $30.42 | 150,000 | 3 months | 150,000 |
| $21.98 | 545,000 | 11 months | 545,000 |
| $21.54 | 10,000 | 1 years 2 months | 10,000 |
| $14.70 | 100,000 | 1 year 6 months | 100,000 |
| $17.32 | 180,000 | 1 years 8 months | 180,000 |
| $17.52 | 155,000 | 1 years 11 months | 155,000 |
| $12.60 | 705,000 | 2 years 2 months | 705,000 |
| $12.91 | 100,000 | 2 years 5 months | 100,000 |
| $8.00 | 50,000 | 3 years | 50,000 |
| $10.36 | 700,000 | 3 years 3 months | 700,000 |
| $9.72 | 50,000 | 3 years 6 months | 50,000 |
| $9.00 | 475,000 | 4 years 4 months | - |
| $11.13 | 365,000 | 5 years | 143,333 |
| | | | |
| | 3,585,000 | | 2,888,333 |

In April 2015, 475,000 five-year options to purchase common shares of the Company, with a fair value of $1.4 million, were granted to members of the Board of Directors. These options have an exercise price of $9.00 and were subject to shareholder approval which was obtained in June 2015. Vesting of these options is subject to the Company entering into a major transaction on one of the Company's two core assets. The fair value of these options is being amortized over the service life of the options.

In December 2015, 365,000 five-year options, with an exercise price of $11.13, to purchase common shares of the Company were granted to members of management. These options had a fair value of $2 million. Of the total granted, 235,000 options vest over a two year period. Of the remaining 130,000 options, one half of them vested on December 31, 2015 and the second half will vest upon the Company entering into a major transaction on one of the Company's two core assets.

In the quarter ended March 31, 2014, 700,000 five-year options were granted to seven directors of the Company at an exercise price of $10.36 and a fair value of $3.52 per option. The exercise price represented a 20% premium to market at the time of the grant. This grant was approved by shareholders in June 2014 and the vesting was subject to the earlier of a major transaction on one of the Company's two core assets or receipt of environmental assessment and environmental impact statement certificates for the KSM project. In the second quarter of 2014, 50,000 options were granted to a director of the Company with an exercise price of $9.72 and a fair value of $4.45 per option. The fair value of these options was amortized over the service life of the options.

In 2014, 400,000 options that were granted in 2010 and 2011 were cancelled. All of the fair value attributed to these options had been expensed prior to the time of cancellation.

The fair value of the options granted that vest over time is estimated on the dates of grant using a Black Scholes option-pricing model with the following assumptions:

| | 2015 | 2014 |
|---|---|---|
| Dividend yield | Nil | Nil |
| Expected volatility | 51-57% | 52% |
| Risk free rate of return | 0.7%-1% | 1.6%-1.7% |
| Expected life of options | 5 years | 4.75-5 years |

The Board granted 235,000 RSUs in 2013 to non-director members of senior management. The RSU Plan along with the 2013 grants were subject to regulatory and shareholder approval. Shareholder and regulatory approvals were obtained in 2014. The fair value of the grants, of $2.3 million, was estimated at the date all regulatory approvals were obtained and were amortized over the service periods that varied from six to eighteen months from the date of the grant, depending on certain corporate objectives being met.

In 2014, the Board granted 272,500 RSUs to non-director members of senior management. The fair value of the grants, of $2.6 million, was estimated as at the grant date and is being amortized over the expected service period of the grants. The expected service periods vary from one to fourteen months from the date of the grant depending on certain corporate objectives being met. During 2014, 152,500 RSUs fully vested and were exchanged for shares of the Company.

In 2015, the Board granted 94,000 RSUs to members of management. The fair value of the grants, of $1.0 million, was estimated as at the grant date and is being amortized over the expected service period of the grants. The expected service periods vary from one to nine months from the date of the grant depending on certain corporate objectives being met. In 2015, 263,250 RSUs vested and were exchanged for common shares of the Company.

**11. Fair value of financial assets and liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts, volatility measurements used to value option contracts and observable credit default swap spreads to adjust for credit risk where appropriate), or inputs that are derived principally from or corroborated by observable market data or other means.

Level 3: Inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

The Company's financial assets and liabilities as at December 31, 2015 and December 31, 2014 are cash and cash equivalents, short-term deposits, amounts receivable, available-for-sale investments, and accounts payable and accrued liabilities. Other than investments, the carrying values approximate their fair values due to the immediate or short-term maturity of these financial instruments and are classified as a Level 1 measurement. The Company's available-for-sale investments are measured at fair value based on quoted market prices and are classified as a level 1 measurement.

The Company's financial risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit Risk*
The Company's credit risk is primarily attributable to short-term deposits, and receivables included in amounts receivable and prepaid expenses. The Company has no significant concentration of credit risk arising from operations. Short-term deposits consist of Canadian Schedule I bank guaranteed notes, with terms up to one year but are cashable in whole or in part with interest at any time to maturity, for which management believes the risk of loss to be remote. Management believes that the risk of loss with respect to financial instruments included in amounts receivable and prepaid expenses to be remote.

*Liquidity Risk*
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2015, the Company had a cash and cash equivalents and short-term deposits balance of $15.5 million (2014 - $6.3 million) for settlement of current liabilities of $1.4 million, excluding the flow-through share premium. The Company is committed to spend $5.5 million on qualifying exploration expenditures in fulfillment of the April 15, 2015 flow-through financing and will incur $0.8 million to maintain its mineral property claims in good standing. The short-term deposits are various guaranteed accounts and are redeemable, in whole or in part, with interest at any time. All of the Company's current financial liabilities have contractual maturities of 30 days and are subject to normal trade terms. The Company's ability to fund its operations and capital expenditures and other obligations as they become due is dependent upon market conditions.

*Market Risk*
(a) Interest Rate Risk
The Company has no interest-bearing debt. The Company's current policy is to invest excess cash in Canadian bank guaranteed notes (short-term deposits). The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The short-term deposits can be cashed in at any time and can be reinvested if interest rates rise.

*(b) Foreign Currency Risk*
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company funds certain operations, exploration and administrative expenses in the United States on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is not significant to its operations and therefore does not hedge its foreign exchange risk. As at December 31, 2015 the Company had no foreign currency denominated financial instruments.

*(c) Investment Risk*

The Company has investments in other publicly listed exploration companies which are included in investments. These shares were received as option payments on certain exploration properties the Company owns. In addition, the Company holds $2.2 million in a gold exchange traded receipt that is recorded on the statement of financial position in investments. The risk on these investments is significant due to the nature of the investment but the amounts are not significant to the Company.

## 12. Corporate and administrative expenses

| *($000's)* | **2015** | 2014 |
|---|---|---|
| Employee compensation | **3,459** | 2,509 |
| Stock-based compensation | **3,647** | 9,679 |
| Professional fees | **897** | 734 |
| General and administrative | **1,407** | 1,169 |
| | **9,410** | 14,091 |

## 13. Related party disclosures

Compensation to key management personnel of the Company:

| *($000's)* | **2015** | 2014 |
|---|---|---|
| Compensation of directors: | | |
| Directors fees | **363** | 316 |
| Services | **113** | 86 |
| Stock-based compensation | **283** | 2,375 |
| | **759** | 2,777 |
| | | |
| Compensation of key management personnel: | | |
| Salaries and consulting fees | **3,107** | 2,170 |
| Stock-based compensation | **2,138** | 4,816 |
| | **5,245** | 6,986 |
| Total remuneration of directors and key management personnel | **6,004** | 9,763 |

## 14. Income taxes

| ('000s') | **2015** | 2014 |
|---|---|---|
| Current tax expense | **11** | 18 |
| Deferred tax expense | **2,689** | 5,881 |
| | **2,700** | 5,899 |

| **Tax recovery recognized directly in equity** | | |
|---|---|---|
| ('000s') | **2015** | 2014 |
| Financing costs | **289** | 243 |

In 2015, the Company recognized income tax expense of $2.7 million (2014 - $5.9 million) primarily related to a deferred tax expense arising due to the renouncement of expenditures related to 2014 and 2015 flow-through shares which are capitalized for accounting purposes, offset partially by a deferred tax recovery arising from the losses in the current year and 2014.

**Rate Reconciliation**

The provision for income tax differs from the amount that would have resulted by applying the combined Federal and Ontario and Northwest Territories statutory income tax rates of 26.29% (2014 - 26.44%)

| ('000s') | **2015** | 2014 |
|---|---|---|
| Loss before income taxes | **(6,366)** | (7,124) |
| | ***26.29%*** | *26.44%* |
| Tax recovery calculated using statutory rates | **(1,674)** | (1,884) |
| Non-deductible items | **198** | 570 |
| Difference in foreign tax rates | **(37)** | (303) |
| Change in deferred tax rates | **(65)** | (33) |
| Movement in tax benefits not recognized | **(191)** | 527 |
| Branch tax | **11** | 16 |
| Renouncement of flow-through expenditures | **4,027** | 6,972 |
| Prior period adjustment | **427** | 37 |
| Other | **3** | (3) |
| Income tax expense | **2,700** | 5,899 |

**Deferred Income Tax**

The following table summarizes the components of deferred income tax:

| **('000s')** | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Deferred tax assets | | |
| Property and equipment | **63** | 63 |
| Provision for reclamation liabilities | **349** | 362 |
| Financing costs | **583** | 664 |
| Non-capital loss carryforwards | **13,200** | 10,728 |
| | | |
| Deferred tax liabilities | | |
| Mineral interests | **(29,036)** | (24,247) |
| | **(14,841)** | (12,430) |

**Unrecognized Deferred Tax Assets**

Deferred income tax assets have not been recognized in respect of the following:

| ('000s') | **December 31, 2015** | December 31, 2014 |
|---|---|---|
| Investments in subsidiaries | **4,422** | 4,847 |
| Marketable securities | **1,360** | 1,598 |
| Loss carry forwards | **735** | 451 |
| Investment tax credits | **1,481** | 1,898 |
| Foreign tax credits | **16** | 16 |
| Mineral properties | **454** | 357 |

The tax losses not recognized expire as per the amount and years noted below. The deductible temporary differences do not expire under the current tax legislation. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit would be available against which the Company can utilize the benefits there from.

**Income Tax Attributes**

As at December 31, 2015, the Company had the following Canadian income tax attributes to carry forward:

| | Amount ('000s') | Expiry date |
|---|---|---|
| Canadian non-capital losses | **51,339** | 2035 |
| Canadian capital losses | **885** | Indefinite |
| Canadian tax basis of mineral interest | **168,054** | Indefinite |
| | | |
| US non-capital losses | **160** | 2035 |
| US capital losses | **758** | 2020 |
| US tax basis of mineral interest | **1,725** | Indefinite |

## 15. Commitments

| *($000's)* | **Payments due by period** | | | | |
|---|---|---|---|---|---|
| | **Total** | **2016** | **2017-18** | **2019-20** | **After 2020** |
| Mineral interests | 7,987 | 793 | 2,186 | 2,404 | 2,604 |
| Flow-through expenditures | 5,451 | 5,451 | - | - | - |
| Business premises operating lease | 187 | 132 | 55 | - | - |
| | 13,625 | 6,376 | 2,241 | 2,404 | 2,604 |

The Company is committed to spend $5.5 million in 2016 on qualifying exploration expenditures in fulfillment of agreements with subscribers of 1,610,000 flow-through shares issued in April 2015 (see note 10).

# SEABRIDGE GOLD INC.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FOR THE YEAR ENDED
## DECEMBER 31, 2015

# SEABRIDGE GOLD INC.

**Management's Discussion and Analysis**

The following is a discussion of the results of operations and financial condition of Seabridge Gold Inc. and its subsidiary companies for the years ended December 31, 2015 and 2014. This report is dated March 24, 2016 and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2015 and 2014, the Company's Annual Information Form filed on SEDAR at www.sedar.com, and the Annual Report on Form 40-F filed on EDGAR at www.sec.gov/edgar.shtml. Other corporate documents are also available on SEDAR and EDGAR as well as the Company's website www.seabridgegold.net. As the Company has no operating project at this time, its ability to carry out its business plan rests with its ability to sell projects or to secure equity and other financings. All amounts contained in this document are stated in Canadian dollars unless otherwise disclosed.

The accompanying consolidated financial statements for the year ended December 31, 2015 and the comparative year ended December 31, 2014 have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

**Company Overview**

Seabridge Gold Inc. is a development stage company engaged in the acquisition and exploration of gold properties located in North America. The Company's objective is to provide its shareholders with exceptional leverage to a rising gold price. The Company's business plan is to increase its gold ounces in the ground but not to go into production on its own. The Company will either sell projects or participate in joint ventures towards production with major mining companies. During the period 1999 through 2002, when the price of gold was lower than it is today, Seabridge acquired 100% interests in eight advanced-stage gold projects situated in North America. Seabridge's principal projects include the KSM (Kerr-Sulphurets-Mitchell) property located in British Columbia and the Courageous Lake property located in the Northwest Territories. Seabridge's common shares trade in Canada on the Toronto Stock Exchange under the symbol "SEA" and in the United States on the New York Stock Exchange under the symbol "SA".

**Selected Annual Information**

| **Summary operating results ($000's- except per share amounts)** | **2015** | **2014** | **2013** |
|---|---|---|---|
| Corporate and administrative costs | (9,410) | (14,091) | (11,831) |
| Other income - flow-through shares | 2,907 | 7,489 | 6,256 |
| Gain on disposition of mineral properties | 1,000 | 2,489 | 2,006 |
| Impairment of mineral properties | (350) | (2,437) | - |
| Impairment of investments | (891) | (1,236) | (4,579) |
| Income taxes | (2,700) | (5,899) | (5,960) |
| Other | 378 | 662 | 459 |
| Net loss | (9,066) | (13,023) | (13,649) |
| Basic loss per share | (0.18) | (0.27) | (0.30) |
| Diluted loss per share | (0.18) | (0.27) | (0.30) |

| Summary balance sheets ($000's) | 2015 | 2014 | 2013 |
|---|---|---|---|
| Current assets | 20,134 | 16,282 | 33,390 |
| Non-current assets | 280,393 | 262,074 | 236,987 |
| Total assets | 300,527 | 278,356 | 270,377 |
| Current liabilities | 2,373 | 4,743 | 8,481 |
| Non-current liabilities | 16,170 | 13,779 | 8,141 |
| Equity | 281,984 | 259,834 | 253,755 |
| Total liabilities and equity | 300,527 | 278,356 | 270,377 |

**Results of Operations**

The net loss for the year ended December 31, 2015 was $9.1 million or $0.18 per share compared to a net loss of $13 million or $0.27 per share for 2014.

In both 2015 and 2014, the most significant expenses contributing to net loss were corporate and administrative costs, and in particular, stock based compensation. Impairment of investments and mineral properties and income taxes also contributed to the loss but to a lesser degree in 2015 than in the comparative year. Offsetting some of these expenses were the recognition of gains on the disposition of mineral properties and other income relating to the amortization of flow-through share premiums, obtained in financings completed in 2014 and the current year. These items are discussed further below.

In 2015, corporate and administrative expenses decreased significantly from $14.1 million in 2014 to $9.4 million in the current year representing a 33% decline. The majority of the decline resulted from a $6.0 million (62%) decrease in non-cash stock-based compensation. The fair value of stock options, granted in 2014, and restricted share units (RSU), granted at the end of 2013 and in 2014, were amortized over a shorter service period and the majority of those costs were recognized in 2014, prior to the start of the current fiscal year, resulting in a higher expense in the comparative year. Cash compensation, however, increased from $2.5 million, in 2014 to $3.5 million or 40% in the current year, reflecting the award of bonuses to management and the impact of a strengthened US versus the Canadian dollar on US denominated salaries. Other corporate and administrative costs increased marginally over the comparative year as the Company continued to source a joint venture partner for KSM. Stock-based compensation is not expected to increase in 2016 as the fair value of unamortized stock-based compensation as at December 31, 2015 is $2.5 million.

The following tables illustrate the Company’s stock option and RSU grants positions:

| Options granted (000's except number of options and exercise prices) | Number of options | Exercise price | Grant date fair value | Expensed prior to 2014 | Expensed in 2014 | Expensed in 2015 | Remaining balance to be expensed |
|---|---|---|---|---|---|---|---|
| December 20, 2010 | 950,000 | 29.75 | 12,363 | 12,082 | 281 | - | - |
| June 29, 2011 | 50,000 | 27.39 | 583 | 459 | 124 | - | - |
| June 27, 2012 | 100,000 | 14.70 | 839 | 703 | 136 | - | - |
| September 11, 2012 | 180,000 | 17.32 | 1,749 | 1,345 | 404 | - | - |
| December 12, 2012 | 165,000 | 17.52 | 1,487 | 1,019 | 468 | - | - |
| March 3, 2013 | 705,000 | 12.60 | 2,577 | 1,226 | 1,335 | 16 | - |
| June 5, 2013 | 100,000 | 12.91 | 724 | 257 | 361 | 106 | - |
| December 19, 2013 | 50,000 | 8.00 | 239 | 9 | 230 | - | - |
| March 24, 2014 | 700,000 | 10.36 | 2,959 | - | 2,959 | - | - |
| June 24, 2014 | 50,000 | 9.72 | 223 | - | 223 | - | |
| April 27, 2015 | 475,000 | 9.00 | 1,414 | - | - | 895 | 519 |
| December 21, 2015 | 365,000 | 11.13 | 1,959 | - | - | 803 | 1,156 |
| | | | | | | | |
| | | | | | 6,521 | 1,820 | 1,675 |

| RSUs granted (000's except number of RSUs) | Number of RSUs | Grant date fair value | Expensed in 2013 | Expensed in 2014 | Cancelled in 2015 | Expensed in 2015 | Remaining balance to be expensed |
|---|---|---|---|---|---|---|---|
| December 19, 2013 | 235,000 | 2,267 | 84 | 2,059 | (24) | 100 | - |
| December 9, 2014 | 272,500 | 2,624 | - | 1,099 | - | 1,184 | 341 |
| December 31, 2015 | 94,000 | 1,046 | - | - | - | 542 | 504 |
| | | 5,937 | 84 | 3,158 | (24) | 1,826 | 845 |

The Company implemented the RSU plan in late 2013 and has granted a total of 601,500 RSUs to certain non-director, key management personnel. Pursuant to that RSU Plan, the Board of Directors has the authority to grant RSUs, and to establish terms of the RSUs including the vesting criteria and the life of the RSU, which is not to exceed two years. The RSUs are exchanged for shares of the Company upon the vesting criteria being met. The fair value of the grants, of $5.9 million, was estimated as each grant date. The expected service periods vary from one to eighteen months depending on the corporate objectives that have or are to be met.

The Company entered into an agreement with IDM Mining (“IDM”) in 2014 to option the Company’s Red Mountain Project. As part of that agreement, IDM has paid the Company $2 million in cash and 4,955,500 common shares of IDM, the fair value of which was $2.5 million. $1 million and the shares were received in 2014 and $1 million was received in 2015. The receipt of cash and shares has been recorded as a gain on the disposition of mineral properties in the year of receipt, as all historical acquisition and exploration costs for the project had been fully recovered through previous option payments and other recoveries. In addition to the initial payments of cash and shares, IDM is obligated to spend $7.5 million on the Red Mountain Project between 2014 and 2017.

In 2015, the Company recorded $2.9 million of other income (2014 - $7.5 million), related to two private placements of flow-through shares it completed in 2014 and 2015. In 2014 the Company issued 1,150,000 flow-through common shares, at $12.00 per share, raising gross proceeds of $13.8 million. The purchase price represented a 29% premium over the market price of the Company’s shares on that date. The premium calculated at the time of the financing, of $3.1 million, was recognized as a liability on the statement of financial position and the balance was recorded as share capital. In 2015, the Company issued 1,610,000 flow-through common shares, at $10.17 per share, raising gross proceeds of $16.4 million at a 22% premium over the market price. The premium calculated at the time of this financing, of $3 million, was recognized as a liability on the statement of financial position and the balance was recorded as share capital. The Company committed to renounce its ability to deduct qualifying exploration expenditures for the equivalent value of the gross proceeds of the two financings and transfer the deductibility of the expenses to the purchasers of the flow-through shares. The effective date of the renouncement for the 2014 financing was December 31, 2014 and December 31, 2015 for the financing completed in 2015. Based on qualifying expenditures made in 2015, $2.9 million of other income has been recognized in the current year. Of the $2.9 million, $0.9 million related to the remaining premium from the 2014 financing and $2 million related to the amortization of the 2015 premium.

The balance of the premium related to the financing completed in 2015, of $1 million, recorded as a liability on the statement of financial position as at December 31, 2015, will be amortized as the Company incurs qualifying expenditures in 2016.

In 2015 the Company was notified that the remaining option on one of its projects in Nevada, Castle Black Rock, would be foregone. The Company determined that the recoverability of the carrying costs was impaired and charged the statement of operations with the remaining carrying cost of $0.4 million. The Company charged the statement of operations with an impairment of $2.4 million in 2014, related to its Nevada Projects. At December 31, 2015, the Company no longer has any capitalized mineral property value related to these projects.

The Company holds investments in common shares of several mining companies that were received as consideration for optioned mineral properties, and other short-term investments, including one gold exchange traded receipt. These available for sale financial assets are recorded at fair value on the statements of financial position. In 2015, the Company determined that the recoverability of some of its available for sale investments were impaired and recorded a $0.9 million (2014 - $1.2 million) charge to the statement of operations.

Due to the significant influence the Company can exert, through representation on the board of directors and share ownership of one investment the Company holds, it is classified as an associate and accounted for using the equity method. In 2015 the Company recognized a $0.2 million gain (2014 - $0.6 million loss) on the statement of operations for its proportionate share of gains of the associate.

In 2015, the Company recognized income tax expense of $2.7 million (2014 - $5.9 million) primarily related to a deferred tax expense arising due to the renouncement of expenditures related to 2014 and 2015 flow through shares which are capitalized for accounting purposes, offset partially by a deferred tax recovery arising from the loss in the current year.

**Quarterly Information**

Selected financial information for the last eight quarters ending December 31, 2015 is as follows (unaudited) :

| Quarterly operating results ($000's) | 4th Quarter Ended December 31, 2015 | 3rd Quarter Ended September 30, 2015 | 2nd Quarter Ended June 30, 2015 | 1st Quarter Ended March 31, 2015 |
|---|---|---|---|---|
| Revenue | - | - | - | - |
| Loss for period | (2,373) | (2,629) | (1,590) | (2,474) |
| Basic loss per share | (0.05) | (0.05) | (0.03) | (0.05) |
| Diluted loss per share | (0.05) | (0.05) | (0.03) | (0.05) |

| Quarterly operating results ($000's) | 4th Quarter Ended December 31, 2014 | 3rd Quarter Ended September 30, 2014 | 2nd Quarter Ended June 30, 2014 | 1st Quarter Ended March 31, 2014 |
|---|---|---|---|---|
| Revenue | - | - | - | - |
| Loss for period | (3,972) | (2,834) | (3,775) | (2,442) |
| Basic loss per share | (0.08) | (0.06) | (0.08) | (0.05) |
| Diluted loss per share | (0.08) | (0.06) | (0.08) | (0.05) |

Significant activities in 2015 included; evaluating the results of the 2014 exploration and drill program at KSM; establishing and supporting an independent geotechnical review board ("IGRB") to review and consider the project's tailings management facility and water storage dam; completing a pilot plant evaluation of a new process for the removal of selenium from waters from KSM; and completing the 2015 exploration and drilling program at KSM.

**Mineral Interest Activities**

During the year ended December 31, 2015, the Company incurred an aggregate of $18.6 million of expenditures related to its mineral interests compared to $31.7 million in 2014.

In both the current and comparative year, the majority of the expenditures were incurred on the KSM project where the Company incurred $18 million of costs (2014 - $30.9 million). Current year spending included drilling, conducting water treatment pilot plant studies and coordinating the work of the IGRB.

Results from the 2014 KSM drill program, analyzed in early 2015, and the 2015 exploration program advanced the project significantly. The 2015 exploration program focused on drilling to confirm the continuity of the mineralized zone below the inferred resources at Deep Kerr Deposit and to drill test the plunge projection of the higher grade central zone of the Mitchell Deposit. Eight drill holes were completed totalling 10,741 meters.

The 2015 drill results confirmed a major expansion of the Deep Kerr Deposit and culminated in an updated independent mineral resource estimate, reported subsequent to December 31, 2015. The resource estimate points to an inferred resource of 1.01 billion tonnes grading 0.53% copper and 0.35 g/T gold (11.3 million ounces of gold and 11.8 billion pounds of copper). The large, continuous zone appears to be amenable to block cave mining.

Drill results from 2015 also pointed toward a sizeable expansion of the Mitchell Deposit at depth. The size and orientation of the drill intercepts support the potential for an expansion of the cost-effective block cave operation planned for the reserves above the intercepts. The results yielded intercepts of 174 m averaging 0.55 g/T gold and 0.28% copper more than 200 m to the southwest of another intercept of 167 m averaging 0.81 g/T gold and 0.25% copper, which appears to be evidence of an extension of the Mitchell central zone. The mineralogy and textures from drill core suggests a zone of higher-temperature and fluid flow which might indicate that better grades may be in the vicinity but results also showed evidence of faulting which requires further analysis before further drilling is undertaken.

At Courageous Lake, the Company incurred $0.6 million (2014 - $0.9 million) of costs completing analysis of drill target identification, from earlier ground magnetic and very low frequency electromagnetic surveys, as well as costs to maintain the project in good standing. Limited work is planned for 2016 at Courageous Lake as the Company continues to focuses on advancing the KSM Project.

**Liquidity and Capital Resources**

The Company's working capital position, at December 31, 2015, was $17.8 million, up from $11.5 million at December 31, 2014. Excluding the flow-through share premium, working capital amounted to $18.7 million at December 31, 2015 and $12.5 million at December 31, 2014. Cash and short-term deposits at December 31, 2015 totaled $15.5 million versus $6.3 million at December 31, 2014. In 2015, the Company closed two financings. A flow-through private placement financing was completed in the second quarter raising gross proceeds of $16.4 million and a non-brokered private placement financing raising gross proceeds of $14.6 million was completed in the fourth quarter. Both financings significantly increased cash and short-term deposits and the Company's overall working capital.

On April 7, 2015, the Company issued 1,610,000 flow-through common shares, at $10.17 per share, raising gross proceeds of $16.4 million. The purchase price represented a 22% premium over the market price of the Company's shares on that date. Share issuance costs of $1.0 million were incurred in relation to the offering. The Company has committed to renounce its ability to deduct qualifying exploration expenditures for the equivalent value of the gross proceeds of the financings and transfer the deductibility to the purchasers of the flow-through shares. As of December 31, 2015, the Company had a remaining commitment to spend $5.5 million, in 2016, on qualifying expenditures.

On October 30, 2015, the Company issued 1,800,000 common shares of the Company, through a non-brokered private placement, at a price of $8.10 per share raising gross proceeds of $14.6 million.

In 2015, the Company collected $4.1 million of refundable provincial tax credits related to exploration expenditures incurred in 2011 at KSM.

On July 22, 2014, the Company issued 1,150,000 flow-through common shares, at $12.00 per share, raising gross proceeds of $13.8 million. The purchase price represented a 29% premium over the market price of the Company's shares on that date. The Company has committed to renounce its ability to deduct qualifying exploration expenditures for the equivalent value of the gross proceeds of the financings and transfer the deductibility to the purchasers of the flow-through shares. During 2014 and 2015 the Company incurred the full $13.8 million of qualifying expenditures against the commitment.

During the year ended December 31, 2015, operating activities, including working capital adjustments, used $7.4 million compared to $4.3 million used by operating activities in 2014. Operating activities in the near-term are not expected to deviate significantly from current levels. Expenditures on mineral interests of $18.6 million excluding recoveries are down from the $31 million spent in 2014 when the Company carried out an extensive exploration and drilling program. In both 2015 and 2014, $1.0 million was received in cash as partial consideration for optioned mineral properties. Also showing a year-over-year variance, the Company raised $0.3 million on the disposition of certain investments versus $2.1 million in the comparative year.

The Company will continue to advance its two major gold projects, KSM and Courageous Lake in order to either sell them or joint venture them towards production with major mining companies.

| Contractual obligations ($000's) | Total | Payments due by years | | | |
|---|---|---|---|---|---|
| | | 2016 | 2017-18 | 2019-20 | After 2020 |
| Mineral interests | 7,987 | 793 | 2,186 | 2,404 | 2,604 |
| Flow-through expenditures | 5,451 | 5,451 | - | - | - |
| Business premises operating lease | 187 | 132 | 55 | - | - |
| | 13,625 | 6,376 | 2,241 | 2,404 | 2,604 |

Amounts shown for mineral interests include option payments and mineral lease payments that are required to maintain the Company's interest in the mineral projects.

**Outlook**

For 2016 the Company will conduct a further exploration program at KSM that will entail analysis of previous drilling including re-logging to enhance the current resource models and to support on-going engineering and environmental studies. Pending further study of exploration results, the Company will establish whether a 2016 drill program is warranted at KSM. The Company also plans to update the 2012 pre-feasibility study in mid-2016 and to continue permitting activities. Recent drilling results from Deep Kerr Deposit and Mitchell Deposit and in particular its copper mineralization has enhanced the potential to attract the interest of major mining companies to enter into a joint venture arrangement that would allow the Company to move the project closer toward production. While the Company continues to focus on KSM in 2016, limited exploration is planned for the Courageous Lake project.

**Internal Controls Over Financial Reporting**

The Company's management under the supervision of the Chief Executive Officer and Chief Financial Officer are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal controls over financial reporting. Management evaluated the effectiveness of the Company's internal controls over financial reporting as of December 31, 2015 using the COSO Internal Control Integrated Framework (2013). Based on that evaluation of the internal controls at December 31, 2015, management has concluded that the Company's internal controls and procedures are appropriately designed and operating effectively. The registered public accounting firm that audited the Company's consolidated financial statements have issued their attestation report on management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2015.

**Changes to Internal Controls Over Financial Reporting**

There was no change in the Company's internal controls over financial reporting that occurred between October 1 to December 31, 2015 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

**Disclosure Controls and Procedures**

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design and operating effectiveness of the disclosure controls and procedures as of December 31, 2015, are appropriately designed and operating effectively. These disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Company.

**Limitations of controls and procedures**

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

**Shares Issued and Outstanding**
At March 24, 2016, the issued and outstanding common shares of the Company totaled 52,139,626. In addition, there were 3,585,000 stock options granted and 183,250 RSUs outstanding. Assuming the exercise of all outstanding options and RSUs, there would be 55,907,876 common shares issued and outstanding.

**Related Party Transactions**

The following is a listing of compensation to key management personnel of the Company:

| *($000's)* | **2015** | 2014 |
|---|---|---|
| Compensation of directors: | | |
| Directors fees | **363** | 316 |
| Services | **113** | 86 |
| Stock-based compensation | **283** | 2,375 |
| | **759** | 2,777 |
| | | |
| Compensation of key management personnel: | | |
| Salaries and consulting fees | **3,107** | 2,170 |
| Stock-based compensation | **2,138** | 4,816 |
| | **5,245** | 6,986 |
| Total remuneration of directors and key management personnel | **6,004** | 9,763 |

**Changes in Accounting Standards Not Yet Adopted**
New standards and amendments to standards and interpretations that are relevant to the Company and effective for annual periods beginning on or after January 1, 2016, that have not been applied in preparing these financial statements are:

IAS 1, Presentation of Financial Statements ("IAS 1") introduces amendments to improve presentation and disclosure in financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. The Company intends to adopt these amendments in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the amendments to have a material impact on the financial statements.

IFRS 9, Financial instruments ("IFRS 9") introduces new requirements for classification and measurement of financial assets, additional changes to financial liabilities and a new general hedge accounting standard. The mandatory effective date is for annual periods beginning on or after January 1, 2018. Early adoption is permitted and the new standard must be applied retrospectively, with some exceptions. The Company does not expect the standard will have a material impact on the financial statements upon adoption.

Amendments to IFRS 11, Joint Operations ("IFRS 11") requires business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business and apply prospectively for annual periods beginning on or after January 1, 2016. The Company will adopt the amendments to IFRS 11 in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the amendments to have a material impact on the financial statements.

IFRS 15, Revenue from contracts with customers ("IFRS 15") will replace IAS 18 Revenue, IAS 11 Construction contracts, and some revenue-related interpretations. The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue at either a point in time or over time. The model features a five-step analysis of transactions to determine when and how much revenue should be recognized. New estimates and judgmental thresholds were introduced, which may affect the amount and/or timing of revenue recognized. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2018. The Company does not expect the standard will have a material impact on the financial statements upon adoption.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets state that revenue-based methods of depreciation cannot be used for property, plant and equipment and the amendments in IAS 38 introduce the supposition that the use of revenue-based amortization methods for intangible assets is inappropriate. The Company will adopt the amendments to IAS 16 and IAS 38 in its financial statements for the annual period beginning on January 1, 2016. The Company does not expect the amendments will have a material impact on the financial statements upon adoption.

**Critical Accounting Estimates**

Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of recoverable value of its mineral properties and related deferred exploration expenditures, the value of stock-based compensation, asset retirement obligations and deferred income tax. All of these estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options and compensation warrants might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors, including the market value of the Company's shares and financial objectives of the stock-based instrument holders. The Company used historical data to determine volatility. However, the future volatility is uncertain.

The recoverability of the carrying value of mineral properties and associated deferred exploration expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors including environmental, legal and political risks, the existence of economically recoverable reserves, the ability of the Company and its subsidiaries to obtain necessary financing to complete the development, and future profitable production or the proceeds of disposition thereof.

The provision for asset retirement obligations is the best estimate of the present value of the future costs of reclaiming the environment that has been subject to disturbance through exploration activities or historical mining activities. The Company uses assumptions and evaluates technical conditions for each project that have inherent uncertainties, including changes to laws and practices and to changes in the status of the site from time-to-time. The timing and cost of the rehabilitation is also subject to uncertainty. These changes, if any, are recorded on the statement of financial position as incurred.

The Company has net assets in Canada and the United States and files corporate tax returns in each. Deferred tax liabilities are estimated for tax that may become payable in the future. Future payments could be materially different from our estimated deferred tax liabilities. We have deferred tax assets related to non-capital losses and other deductible temporary differences. Deferred tax assets are only recognized to the degree that it shelters tax liabilities or when it is probable that we will have enough taxable income in the future to recover them.

**Risks and Uncertainties**

***The risks and uncertainties are discussed within the Company's most recent Annual Information Form filed on SEDAR at www.sedar.com, and the Annual Report on Form 40-F filed on EDGAR at www.sec.gov/edgar.shtml.***

**Forward Looking Statements**

The consolidated financial statements and management's discussion and analysis contain certain forward-looking statements relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.