

# SEABRIDGE GOLD INC.



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Toronto, Ontario M5J 2Y1  
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MR SAM SAMPLE  
123 SAMPLES STREET  
SAMPLETOWN SS X9X 9X9

Security Class 123

Holder Account Number  
C1234567890 X X X



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## Form of Proxy - Annual General Meeting of Shareholders to be held on June 18, 2009

**This Form of Proxy is solicited by and on behalf of Management.**

### Notes to proxy

1. Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name appears on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. **The securities represented by this proxy will be voted as directed by the holder, however, if such a direction is not made in respect of any matter, this proxy will be voted as disclosed by Management.**
6. The securities represented by this proxy will be voted or withheld from voting, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the meeting.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

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**Proxies submitted must be received by 4:30 pm, Eastern Time, on June 16, 2009.**



### Appointment of Proxyholder

I/We being holder(s) of shares of the Company hereby appoint: RUDI FRONK, a Director of the Company, or failing this person, JAMES ANTHONY, a Director of the Company,

OR

Print the name of the person you are appointing if this person is someone other than the Management Nominees listed herein.

as my/our proxyholder with full power of substitution and to vote in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual General Meeting of Shareholders of Seabridge Gold Inc. (the "Company") to be held at The Albany Club, 91 King Street East, Toronto, Ontario, Canada M5C 1G3, on Tuesday, June 18, 2009 at 4:30 p.m. (Toronto time) and at any adjournment thereof.

MANAGEMENT'S DESIGNATED PROXYHOLDER'S VOTING INTENTIONS ARE INDICATED BY **HIGHLIGHTED TEXT** OVER THE BOXES.

### 1. Election of Directors

	For	Withhold		For	Withhold		For	Withhold
01. James S. Anthony	<input type="checkbox"/>	<input type="checkbox"/>	02. A. Frederick Banfield	<input type="checkbox"/>	<input type="checkbox"/>	03. William M. Calhoun	<input type="checkbox"/>	<input type="checkbox"/>
04. Thomas C. Dawson	<input type="checkbox"/>	<input type="checkbox"/>	05. Louis J. Fox	<input type="checkbox"/>	<input type="checkbox"/>	06. Rudi P. Fronk	<input type="checkbox"/>	<input type="checkbox"/>
07. Eliseo Gonzalez-Urien	<input type="checkbox"/>	<input type="checkbox"/>						

### 2. Appointment of Auditors

To appoint KPMG LLP as Auditors of the Company

	For	Withhold
3. To authorize the Directors to fix the Auditors remuneration	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve an increase in the number of shares reserved for issue under the Company's Stock Option Plan by 800,000 shares;	<input type="checkbox"/>	<input type="checkbox"/>
5. To approve grants of 425,000 stock options in total to officers and directors as more particularly set out in the Management Proxy Circular in respect of the Meeting;	<input type="checkbox"/>	<input type="checkbox"/>
6. To transact such other businesses as may properly come before the Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

### Authorized Signature(s) - This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. If no voting instructions are indicated above, this Proxy will be voted as disclosed by Management.

Signature(s)

Date

MM / DD / YY



# Seabridge Gold Inc.

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of the shareholders of SEABRIDGE GOLD INC. (herein called the "Corporation") will be held at The Albany Club, 91 King Street East, Toronto, Ontario, Canada M5C 1G3 on Thursday, June 18, 2009 at the hour of 4:30 p.m. (Toronto time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the year ended December 31, 2008 and the auditors' reports thereon;
2. to elect directors for the ensuing year;
3. to appoint the auditors for the ensuing year;
4. to authorize the directors to fix the remuneration to be paid to the auditors;
5. to approve an increase in the number of shares reserved for issue under the Corporation's Stock Option Plan by 800,000 shares;
6. to approve grants of 425,000 stock options in total to directors as more particularly set out in the Management Proxy Circular in respect of the Meeting; and
7. to transact such other business as may properly come before the Meeting.

The accompanying Management Proxy Circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this notice.

If you are unable to attend the meeting in person, please complete, sign and date the enclosed form of proxy and return the same within the time and to the location set out in the form of proxy accompanying this notice.

DATED at Toronto, Ontario this 30th day of April, 2009.

**BY ORDER OF THE BOARD OF DIRECTORS**



Rudi P. Fronk  
President and Chief Executive Officer

# Seabridge Gold Inc.

## MANAGEMENT PROXY CIRCULAR

(As at April 30, 2009, except as indicated)

### SOLICITATION OF PROXIES

This management proxy circular is furnished in connection with the solicitation of proxies by the management of Seabridge Gold Inc. (the "Corporation") for use at the Annual Meeting of Shareholders (the "Meeting") of the Corporation to be held on June 18, 2009 and at any adjournments thereof. The solicitation will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Corporation or by agents retained and compensated for that purpose. The cost of solicitation will be borne by the Corporation.

### APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of the Corporation (the "Management Proxyholders").

**A shareholder has the right to appoint a person other than a Management Proxyholder to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

### VOTING BY PROXY

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

**The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting.** At the date of this Management Proxy Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

### COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be received at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 or Fax 1-866-249-7775 not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Corporation as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Corporation are "non-registered" shareholders because the Shares they own are not registered in their names but are instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares, a bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or a clearing

agency such as The Canadian Depository for Securities Limited (a “**Nominee**”). If you purchased your shares through a broker, you are likely an unregistered holder.

In accordance with securities regulatory policies, the Corporation has distributed copies of the Meeting materials, being the Notice of Meeting, this Management Proxy Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Corporation to forward meeting materials directly to "non objecting beneficial owners". If the Corporation or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

#### **REVOCABILITY OF PROXY**

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. This revocation must be delivered either to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, Canada M5J 2Y1 or to the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chairman at the Meeting or any adjournment thereof. A proxy may also be revoked in any other manner provided by law.

**Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their respective Nominees to revoke the proxy on their behalf.**

#### **RECORD DATE**

The Board of Directors of the Corporation has fixed April 24, 2009 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive Notice of the Meeting. Only shareholders of record as at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote the common shares held by them, either in person or by proxy, at the Meeting or any adjournment thereof.

#### **VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation 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 37,411,185 common shares were issued and outstanding and no preferred shares were issued and outstanding as of April 24, 2009. The holders of common shares are entitled to one vote for each common share held.

Each resolution to be voted on at the Meeting must be passed by a simple majority (50%) of the votes cast on the resolution.

To the knowledge of the directors and executive officers of the Corporation as of April 24, 2009, the only persons who beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation are Pan Atlantic Bank and Trust Limited

which owns 8,001,232 shares of the Corporation representing 21.4% of the outstanding shares of the Corporation and FCMI Financial Corporation, which owns all of the shares of Pan Atlantic Bank and Trust Limited, and owns 555,000 shares representing 1.5% of the outstanding shares of the Corporation. In addition, principals of the Friedberg Mercantile Group Ltd. own 43,400 shares of the Corporation representing 0.1% of the Corporation's outstanding shares. Pan Atlantic Bank and Trust Ltd. is ultimately beneficially owned and controlled by Albert D. Friedberg and members of his immediate family. Albert D. Friedberg is the President and a director of Friedberg Mercantile Group Ltd.

#### ELECTION OF DIRECTORS

The directors of the Corporation are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

The Corporation does not have an executive committee. The Corporation is required to have an audit committee. Members of this committee, and other committees of the Board, are as set out below.

Management of the Corporation proposes to nominate each of the following seven persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is 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 <sup>(4)</sup>
<b>James S. Anthony</b> Toronto, Ontario, Canada Chairman of the Board <sup>(5)</sup>	President, Suma Investments Inc., a private investment company since 1986.	Since October 1999	684,791 directly 543,334 indirectly
<b>A. Frederick Banfield</b> <sup>(1)(3)</sup> Tucson, Arizona, USA	Chairman, Mintec Inc., a consulting and software company providing services to the minerals industry, since 1970.	Since October 1999	145,000
<b>William M. Calhoun</b> <sup>(1)(2)(3)</sup> Silverton, Idaho, USA	President, William M. Calhoun, Inc., since 1983, a minerals industry consulting company.	Since February 2000	96,667
<b>Thomas C. Dawson</b> <sup>(1)(3)</sup> Toronto, Ontario, Canada	Retired as Senior Audit and Accounting Partner, Deloitte & Touche LLP in 1999.	Since January 2006	24,650
<b>Louis J. Fox</b> <sup>(2)(3)</sup> Fort Lauderdale, Florida, USA	Private Businessman. From 1984 to 1999, a Senior Vice President of Gerald Metals, Inc.	Since January 2000	225,000
<b>Rudi P. Fronk</b> Toronto, Ontario, Canada President and CEO	President and CEO, Seabridge Gold Inc.	Since October 1999	1,050,000 directly 18,000 indirectly
<b>Eliseo Gonzalez-Urien</b> <sup>(2)</sup> Ashland, Oregon, USA	Senior Technical Advisor, Seabridge Gold Inc. Retired as Senior Vice President, Placer Dome Inc. in 2001.	Since January 2006	43,000

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance and Nominating Committee

(4) Shares beneficially owned, or controlled or directed, directly or indirectly, as at April 24, 2009, is based upon information furnished to the Corporation by the individual directors. Unless otherwise indicated, such shares are held directly.

(5) The Chairman's primary responsibilities are those of Lead Director as set out in the Dey Commission Report on Corporate Governance prepared for the TSX.

To the knowledge of the Corporation, no proposed director:

- (a) is, as at the date of the Management Proxy Circular, or has been, within 10 years before the date of the Management Proxy Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity,
  - (i) was subject to an Order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer;
- (b) is, as at the date of the Management Proxy Circular, or has been within 10 years before the date of the Management Proxy Circular, a director or executive officer of any company (including the Corporation) 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, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of the Management Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For the purposes of the foregoing, an "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.

To the knowledge of the Corporation, no proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **EXECUTIVE COMPENSATION**

For the purposes of this Circular:

- (a) **"Chief Executive Officer"** or **"CEO"** of the Corporation means the individual who served as chief executive officer of the Corporation during the most recently completed financial year;
- (b) **"Chief Financial Officer"** or **"CFO"** of the Corporation means the individual who served as chief financial officer of the Corporation during the most recently completed financial year;
- (c) **"executive officer"** of the Corporation means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, an officer of the Corporation or any of its subsidiaries who performed a policy-making function in respect of the Corporation, or any other individual who performed a policy-making function in respect of the Corporation;
- (d) **"Named Executive Officers"** or **"NEO"** means:
  - (i) the CEO;
  - (ii) the CFO;
  - (iii) each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
  - (iv) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year;

(e) “**Option Based Award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.

(f) “**Share-Based Award**” means an award under an equity incentive plan or equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **Compensation Discussion and Analysis**

### *Role of the Compensation Committee*

The Compensation Committee is responsible for annually reviewing the Corporation’s compensation arrangements with its executive officers. This review is generally completed at the end of the fiscal year in order to determine any bonuses which may be payable for that year and any adjustments to other compensation which may be agreed to for the subsequent year.

When reviewing the compensation of the executive officers, the Compensation Committee considers the following objectives: (i) recruiting and retaining the executives critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation based upon a detailed comparison with the compensation levels paid for similar positions by similar companies; (iii) balancing the interests of management and shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. The Compensation Committee has the responsibility of reviewing the senior executive officers’ total compensation package in consultation with the CEO and making proposals to the Board, reviewing and advising on stock option guidelines, including recommendations on specific option grants and reviewing and communicating to the Board the compensation policies and principles that will be applied to other executives and employees of the Corporation.

### *Compensation Philosophy*

All employees of the Corporation receive compensation based on market value for the type of role they perform. Additional consideration is given to internal pay equity and performance. The compensation payable to employees consists of three elements: base salary; bonuses paid upon performance of the individual and the business; and long-term incentives by way of the grant of stock options in accordance with the policies of the Toronto Stock Exchange (“**TSX**”) and the Corporation’s Stock Option Plan. The Corporation does not provide sponsored or defined pension or retirement plans. Employees are expected to provide for their own retirement and to obtain their own advice in making such arrangements.

### *Base Salary*

In the Compensation Committee’s view, paying base compensation that is competitive in the market in which the Corporation operates is the first step to attracting and retaining talented, qualified and effective executives.

The base salary of each particular executive officer is determined by an assessment by the Compensation Committee of each executive officer’s performance, a consideration of competitive compensation levels in companies similar to the Corporation and a review of the performance of the Corporation as a whole and the role each executive officer played in the Corporation’s performance.

In late 2008, base salaries were increased by 10% for the NEOs other than the Chairman. This amount was considered appropriate given the exceptional performance of the Corporation in achieving its stated objectives for the year, as set out in the 2007 Annual Report to Shareholders and substantially increasing gold ownership per share. This increase left the Corporation’s base salary levels somewhat below the levels of its comparators. The Chairman’s base salary was not adjusted as it was determined that it was at or near that of his counterparts in other comparable companies.

### *Bonuses*

Bonuses are performance based and are determined by personal performance, team performance and/or Corporation performance. Bonus levels are related to the level of position of the executive officer with the Corporation and base salary.

A bonus equal to 25% of base salary was approved by the Board for all the Corporation's NEOs for the 2008 fiscal year, reflecting the substantial increase in gold ownership per common share achieved during the year. The Board decided to award the bonus equally in order to facilitate a sense of team work amongst the NEOs and to reflect the fact that NEO base salaries appropriately reflected the relative contributions of each of the NEOs.

### *Long-Term Incentives*

The Corporation provides long-term incentives by granting stock options to executive officers in accordance with the policies of the TSX. Any options granted permit executive officers to acquire common shares at an exercise price equal to the closing market price of such shares at the time of grant of the option. The objective of granting options is to encourage executive officers to acquire an ownership interest in the Corporation over a period of time, which acts as a financial incentive for such executive officers to consider the long-term interests of the Corporation and its shareholders.

When determining the number of stock options to be granted to an executive officer, the Compensation Committee takes into account the number and terms of stock options previously granted to the executive officer. The Compensation Committee considers option compensation granted by similar companies to executives with similar responsibilities, comparing such option grants on the basis of the percentage they represent of total shares outstanding rather than the absolute number of such options. Options granted to NEOs are made subject to specific vesting requirements which may include Corporation stock price performance, relative performance of the Corporation stock price to relevant equity indices or achievement of particular corporate objectives.

In late 2008, at its regularly scheduled annual review, the Corporation's Compensation Committee recommended the grant of options to directors, officers and employees. In its review, the Committee noted that none of the directors had been granted options for nearly three years and the number of options outstanding was very low in comparison to other resource companies. The Board reviewed the recommendation and approved the grants after the Corporation announced its agreement to sell its Noche Buena property for cash, which transaction would result in significant funding for Seabridge's operations to take it well beyond the ensuing year and without share dilution to existing shareholders. The Board felt that, at the stage of development of the Corporation's properties, it was appropriate to impose different vesting requirements for these option grants to directors and senior officers than that mandated by the Corporation's Stock Option Plan (the "**Option Plan**"). The Option Plan required options granted to directors and senior officers to be subject to two-tier vesting, which required that the Corporation's share price achieve a certain price threshold and a certain price performance threshold. The Directors felt that the vesting of the options should instead be subject to the Corporation entering into an agreement to complete a significant transaction involving one or both of its KSM Project or Courageous Lake Project or involving the acquisition of a majority interest in the Corporation. The Board also felt that, with respect to the grant of 425,000 options to directors, including the President and CEO and the Chairman, such options should not be exercisable unless they were approved by disinterested shareholders.

Although the grants would have resulted in more shares being issuable under outstanding options than were reserved for issue under the Option Plan, the Board felt that since, after the grants, the number of shares which could be acquired upon exercise of all options represented 4.9% of the Corporation's outstanding shares, it would grant the options and provide that the exercise was subject to shareholders approving the required increase in the number of shares reserved for issue under the Option Plan.

As a result of its deliberations with respect to the Option Plan's vesting provisions, the Board has also amended the Option Plan to remove the two-tier vesting requirement.

### *Other Compensation*

The Corporation provides no compensation to its NEOs other than Base Salary, Bonuses and Long-Term Incentives as described above. For greater certainty, the Corporation makes no commitments for Option-Based Awards or Share-Based Awards other than the stock options granted pursuant to the Corporation's Stock Option Plan.

### Termination Benefits

NEOs other than the Chairman receive a payment equal to 100% of base salary if terminated for any reason other than cause. This termination payment is also triggered by a change of control of the Corporation whether or not termination occurs.

### CEO Compensation

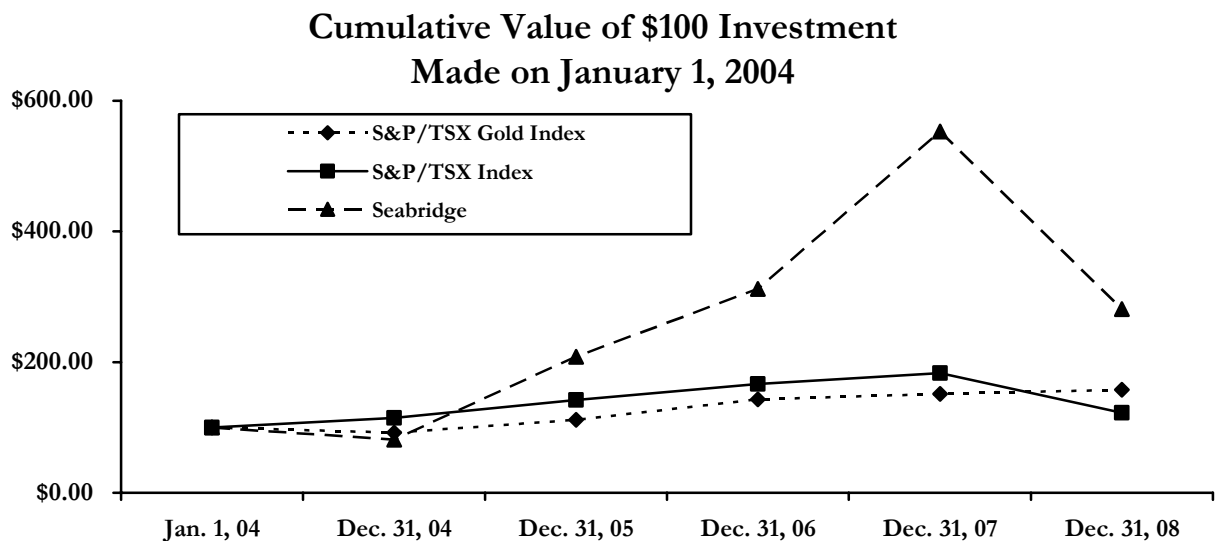
The components of the CEO's compensation are the same as those that apply to all of the Corporation's executive officers, namely base salary, performance bonuses and long-term incentives in the form of stock options. The general compensation philosophy of the Corporation for executive officers is to provide a level of compensation that is competitive within the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the Corporation to be successful. Compensation is designed to provide long-term incentives which align the interest of the CEO with those of the shareholders.

In establishing the CEO's compensation, the Compensation Committee reviews salaries paid to other executive officers in the Corporation, salaries paid to other CEO's in the industry for companies of similar size and stage of development and the CEO's contribution to the affairs of the Corporation and makes recommendations with respect to the CEO compensation to the Board.

See the general discussion on base salaries and bonus described above which discussion applies to the CEO's compensation.

### Performance Graph

The following graph illustrates the Corporation's cumulative total shareholder return over the five most recently completed financial years of the Corporation for a \$100 investment in the Corporation's common shares made on January 1, 2004 (being the start of such five year period). For comparative purposes, the cumulative total returns for a \$100 investment over the same time period of the S&P/TSX Composite Index (the "S&P/TSX Index") and the S&P/TSX Global Gold Index (the "S&P/TSX Gold Index") are also provided. The S&P/TSX Gold Index figures used in the graph include the reinvestment of dividends but the S&P/TSX Index figures do not as such data is not available.



Over the five year period, a \$100 investment in the Corporation's common shares would have increased in value to \$281.13 as compared to \$122.61 for the S&P/TSX Index and \$157.77 for the S&P TSX Global Gold Index. Over the same time period, the Corporation's compensation to executive officers has increased by 185%.

## Option-based awards

The Corporation's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Corporation. In determining the number of options to be granted to the executive officers, the Board of Directors takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX, and closely align the interests of the executive officers with the interests of shareholders.

The Compensation Committee has the responsibility to administer the compensation policies related to the executive management of the Corporation, including option-based awards.

## Summary Compensation Tables

The following table (presented in accordance with National Instrument Form 51-102F6 – "Form 51-102F6") sets forth all direct and indirect compensation provided to the Corporation's Named Executive Officers, for the fiscal year ended December 31, 2008. The Named Executive Officers of the Corporation are Rudi Fronk, James Anthony, Roderick Chisholm and William Threlkeld.

NEO Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Rudi P. Fronk President & CEO	2008	400,000 <sup>(1)</sup>	NIL	886,350	NIL	NIL	NIL	100,000	1,386,500
James S. Anthony Chairman	2008	200,000	NIL	886,350	NIL	NIL	NIL	50,000	1,136,350
William E. Threlkeld Senior VP	2008	200,970	NIL	295,450	NIL	NIL	NIL	50,243	546,663
Roderick Chisholm CFO	2008	160,000	NIL	236,360	NIL	NIL	NIL	40,000	436,360

- (1) The President and CEO and the Chairman are also directors but do not receive fees for acting in their capacity as a director.
- (2) The Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value (December 5, 2008), and relied on the following key assumptions and estimates for each calculation: Dividend yield – nil; Expected volatility – 66%; Risk free rate of return – 1.69%; expected life of options – 5 years. The Corporation chose this methodology because it is a recognized standard for such valuations. For accounting purposes, the fair value of the options has yet to be determined since it will be based on the Corporation's share price, accounting guidelines and other considerations on the dates the options are approved by the directors and shareholders.

## Incentive Plan Awards

The Corporation does not have any incentive plans, pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officer(s).

## Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Corporation at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

<i>Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)</i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>
Rudi P. Fronk	250,000	10.56	January 4, 2011	1,300,000	NIL	NIL
	150,000	10.54	December 4, 2013	783,000		
James S. Anthony	125,000	10.56	January 4, 2011	650,000	NIL	NIL
	150,000	10.54	December 4, 2013	783,000		
William E. Threlkeld	50,000	4.00	January 11, 2010	588,000	NIL	NIL
	60,000	29.60	August 8, 2012	NIL		
	50,000	10.54	December 4, 2013	261,000		
Roderick Chisholm	15,000	5.65	January 13, 2009	151,650	NIL	NIL
	100,000	3.37	August 12, 2009	1,239,000		
	60,000	29.60	August 8, 2012	NIL		
	40,000	10.54	December 4, 2013	208,800		

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$15.76, and the exercise or base price of the option.
- (2) The options granted above on December 4, 2008 are subject to shareholder approval of an increase in the number of shares reserved for issue under the Option Plan and shareholder approval of the option grants.

#### Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out the value of all stock options that vested during the financial year ended December 31, 2008 for each of the Named Executive Officers:

<i>NEO Name</i>	<i>Value on Date Vested <sup>(1)</sup> (\$)</i>
Rudi P. Fronk	NIL
James S. Anthony	NIL
William E. Threlkeld	NIL
Roderick Chisholm	NIL

- (1) The value of unexercised in-the-money options on date vested is based on the number of options that became vested on the applicable date and is calculated on the difference between the market value of the common shares on the TSX as at the date of vesting and the exercise price of the option.

#### **Pension Plan Benefits**

The Corporation does not have any form of pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. The Corporation does not have any form of deferred compensation plan.

#### **Termination and Change of Control Benefits**

Except as disclosed below, the Corporation and its subsidiaries have no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the company or change in a Named Executive Officer's responsibilities.

The President, Senior Vice President and Chief Financial Officer of the Corporation were paid a base salary of \$400,000, \$200,970 and \$160,000 respectively for the year ended December 31, 2008. NEOs, other than the Chairman, receive a payment equal to 100% of base salary. This termination payment is also triggered by a change of control of the Corporation whether or not termination occurs.

### Director Compensation

#### Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Corporation's most recently completed financial year:

<i>Director Name</i>	<i>Fees Earned (\$)</i>	<i>Share-Based Awards (\$)</i>	<i>Option-Based Awards (\$)</i>	<i>Non-Equity Incentive Plan Compensation (\$)</i>	<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total (\$)</i>
A. Frederick Banfield	US25,000	NIL	147,250	NIL	NIL	14,800	162,050 US25,000
William M. Calhoun	US25,000	NIL	147,250	NIL	NIL	NIL	147,250 US25,000
Thomas C. Dawson	US32,500	NIL	147,250	NIL	NIL	NIL	147,250 US32,500
Louis J. Fox	US25,000	NIL	147,250	NIL	NIL	NIL	147,250 US25,000
Eliseo Gonzalez-Urien	US27,500	NIL	147,250	NIL	NIL	16,600	163,850 US27,500

From its inception, until 2003, the only compensation paid by the Corporation to directors consisted of stock options. In 2003 the Board's Compensation Committee assessed the compensation paid to directors by natural resource companies comparable to the Corporation. Their recommendations were presented to, and approved by, the full Board. Commencing July 1, 2003 the Corporation adopted a compensation plan for outside independent directors which provided for stock options plus annual fees of US\$15,000 to each director payable quarterly in arrears plus reimbursement of expenses directly related to their duties as directors. Effective January 2005, the annual fees were increased to US\$20,000 for each director. Effective January 1, 2008, the annual fees were increased to US\$25,000 for each director. The chairman of the Audit Committee receives an additional US\$7,500 per year and the chairman of the Compensation Committee receives an additional US\$2,500 per year. There is no additional compensation for attending meetings or participating in Board committees. This compensation is reviewed on an annual basis. The Chairman and the President do not receive this compensation. In addition, the Corporation may compensate directors for services they may provide outside the role of a director. All such compensation is fully disclosed in Related Party Transactions in the Notes to the Fiscal Year 2008 Audited Financial Statements and the Directors Compensation Table herein.

In connection with the \$14,800 in technical services provided to the Corporation by a private company controlled by Frederick Banfield, the Board followed its written Conflict of Interest Policy as follows: Management obtained information on the market value of the services to be provided which demonstrated the reasonableness of the director's proposal; the Board reviewed and approved the proposed contract in the absence of the conflicted director. Also during 2008, the Corporation paid Eliseo Gonzalez-Urien \$16,600 for geological consulting services.

As disclosed elsewhere in this Management Proxy Circular, the Corporation has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the shareholders.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Corporation at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)</i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>
A. Frederick Banfield	100,000 25,000	10.56 10.54	January 4, 2011 December 4, 2013	520,000 130,500	NIL	NIL
William M. Calhoun	100,000 25,000	10.56 10.54	January 4, 2011 December 4, 2013	520,000 130,500	NIL	NIL
Thomas C. Dawson	50,000 25,000	10.56 10.54	January 4, 2011 December 4, 2013	260,000 130,500	NIL	NIL
Louis J. Fox	100,000 25,000	10.56 10.54	January 4, 2011 December 4, 2013	520,000 130,500	NIL	NIL
Eliseo Gonzalez-Urien	25,000	10.54	December 4, 2013	130,500	NIL	NIL

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$15.75, and the exercise or base price of the option.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out the value of all stock options that vested during the financial year ended December 31, 2008 for each of the Directors:

<i>Director Name</i>	<i>Value on Date Vested <sup>(1)</sup> (\$)</i>
A. Frederick Banfield	NIL
William M. Calhoun	NIL
Thomas C. Dawson	NIL
Louis J. Fox	NIL
Eliseo Gonzalez-Urien	NIL

- (1) The value of unexercised in-the-money options on date vested is based on the number of options that became vested on the applicable date and is calculated on the difference between the market value of the common shares on the TSX as at the date of vesting and the exercise price of the option.

**DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

National Policy 58-101 sets out certain reporting requirements for issuers concerning their corporate governance practices. In response to the requirements, the Corporation reports the following with respect to its practices.

## **Board of Directors**

Independence - A majority of the Corporation's directors are considered to be independent. The Corporation proposes seven directors for election at the Meeting, four of whom it considers to be fully independent (a director who is independent of management and is free from any interest or any business or any other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interest of the Corporation, other than interests arising from shareholdings); A. Frederick Banfield; William M. Calhoun, Thomas C. Dawson; and Louis J. Fox. The President and CEO, Rudi P. Fronk is not considered to be independent. The Chairman, James S. Anthony, has assumed a growing number of responsibilities relating to the effective functioning of the Board and its compliance with an increasing number of regulations. Mr. Anthony is therefore considered to be not independent. Eliseo Gonzalez-Urien is paid a modest retainer as Senior Technical Advisor to consult with the Corporation's geological team and as a result of such relationship is considered not independent.

Other Directorships - The following directors of the Corporation are also directors of other public companies: Thomas Dawson is also a director or officer of Anvil Mining Inc., Energy Split II Corp., Energy Split Corp., R. Split II Corp. and WaterFurnace Renewable Energy; Eliseo Gonzalez-Urien is a director of Paramount Gold and Silver Corp.; Rudi Fronk is a director of Paramount Gold and Silver Corp.

Meetings of Independent Directors - Independent directors meet formally once a year without non-independent directors to consider their effectiveness and independence as directors and to review whether or not they have the information and resources necessary to fulfill their obligations as directors and carry out the approved mandate of the Board. They also consider their relationship to management and whether or not, in their view, they have provided sufficient direction to management and whether or not, in their view, this direction has been followed appropriately.

Independence of Chair - The Chairman is not considered independent due to an increasing work load arising from Board committee and Board communication responsibilities, which workload warrants a level of payment which could be perceived to prejudice his independence. The primary responsibility of the Chairman is to ensure Board effectiveness and independence by acting in the role of lead director. It is the view of the Board that such a role cannot be effectively fulfilled without significant payment, which may paradoxically give rise to questions of independence.

Attendance - During the fiscal year ended December 31, 2008, the Corporation held 10 directors' meetings. Messrs. Anthony, Banfield, Calhoun, Fox, Fronk and Gonzalez-Urien attended all 10 meetings. Mr. Dawson attended 8 meetings. Some directors were excluded from portions of some meetings in order to facilitate discussions among independent or non-conflicted directors, review compensation issues and discuss related party transactions.

## **Board Mandate**

The Board's formally approved mandate is as follows:

The Corporation's Board of Directors is responsible for the supervision of the management of the Corporation's business and affairs. Under its governing statute (the *Canada Business Corporations Act*), the Board is required to carry out its duties with a view to the best interests of the Corporation. The Board specifically recognizes its responsibility for the following areas:

- (i) representing the interests of the shareholders in all significant decisions affecting the Corporation and ensuring that shareholders are kept informed of developments affecting their Corporation;
- (ii) reviewing and approving corporate objectives, goals and strategies with a view to enhancing shareholder value;
- (iii) reviewing and approving the Corporation's operating plans and monitoring performance;
- (iv) reviewing significant operational and financial issues as they arise and providing direction to management on these matters;
- (v) acting diligently to ensure that the Corporation fulfils its legal and regulatory requirements;
- (vi) evaluating the effectiveness of senior management and establishing their compensation; and

- (vii) evaluating whether or not directors receive the information they require to perform their duties as directors.

### **Position Descriptions**

The Corporation does not have formally approved position descriptions for the CEO, the Chairman and the Chairman of each Board committee. It is the intention of the Board to develop such positions descriptions in the future. In general, it is the responsibility of the Chairman and the Chairmen of the committees to ensure that the formally approved mandates of the Board and its committees are fulfilled. The CEO has the responsibility for:

- (i) managing the day-to-day business of the Corporation in order to achieve the corporate goals established by the Board;
- (ii) protecting the interests of shareholders and employees;
- (iii) complying with the Corporation's formally approved Manual of Corporate Practices and the laws and regulations governing business conduct; and
- (iv) ensuring that the Corporation's Board is advised of all material matters affecting the Corporation so as to enable the Board to fulfill its mandate.

### **Orientation and Continuing Education**

New directors are provided with Board and committee mandates and minutes, and the opportunity to meet with individual employees and directors for briefings. The Board has no formal policy for providing continuing education to its directors. Publications, advisories from regulators and the advice of counsel and auditors are regularly provided to directors for their review. Directors are selected for their expert knowledge of the mining industry which is continuously updated by them through their involvement in the industry.

### **Code of Business Ethics**

The Corporation has adopted a formal Manual of Corporate Practices which includes a Code of Business Ethics which is posted on its website ([www.seabridgegold.net](http://www.seabridgegold.net)) and is provided to all directors, officers and employees. The Code was updated in November 2007 with a copy of the updated Code available in the Corporation's profile at [www.sedar.com](http://www.sedar.com). The Board does not formally monitor compliance with the Code. The CEO is responsible for reporting to the Chairman of the audit committee and to the Board any infractions of which he is aware. No such infractions were reported to the Board in 2008. The Code contains a specific provision for dealing with transactions in which a director has a material interest. This provision, which ensures that the Board is able to make an informed, independent decision free of conflict, was followed in 2008. A Whistleblower Policy was formally adopted in 2005 to promote ethical behaviour. This Policy is published on the Corporation's website. The Board is not aware of any reports by whistleblowers made pursuant to the Policy in 2008.

### **Nomination of Directors**

The Corporation has a nominating committee that is composed entirely of independent directors. Collectively, the Board has numerous contacts in the industry and the nominating committee generally canvasses the directors for suggestions for new candidates for Board nomination with the expertise being sought. The nominating committee does not currently have a formal mandate. It is the intention of the Board to adopt a mandate for this committee in the future. Presently, the independent directors meet annually to discuss their assessment of the Board's effectiveness including the size of the Board and whether or not it has the expertise required to perform its duties of oversight properly.

### **Compensation**

The compensation committee undertakes an annual review of compensation for officers and directors. The committee establishes a list of comparable companies selected on the basis of size and nature of business in order to ensure that the comparison is relevant with respect to roles, responsibilities and requirements imposed upon officers and directors. Compensation for these comparable companies is obtained from public sources. The committee attempts to compensate its officers and directors within the range established by its peer group after considering both cash compensation (salaries and bonuses) and options.

The compensation committee consists entirely of independent directors.

The formally approved mandate of the compensation committee is as follows:

- (i) On an annual basis, review the total compensation of the President and CEO, the Chairman, the Chief Financial Officer and Vice President(s) against their performance, mandates and goals and make recommendations on their compensation to the Board;
- (ii) Review, approve and recommend to the Board for confirmation all grants of options to all directors and employees; ensure the proper administration of the Corporation's options program in conformity with the Corporation's Option Plan;
- (iii) Review on an annual basis the Corporation's overall hiring and compensation practices with reference to industry norms.

The Corporation has not retained an outside compensation consultant or advisor.

### **Other Board Committees**

The Corporation has a corporate governance committee, the mandate of which is as follows:

- (i) Prepare and recommend to the Board on an annual basis, proposed goals for the Corporation and its CEO and a mandate for the CEO;
- (ii) Ensure that the Board is adequately informed of developments and issues within the Corporation such that it is able to fulfill its duties and responsibilities;
- (iii) Ensure that the Board reviews and approves all major corporate decisions which could reasonably be expected to affect shareholder value;
- (iv) Assess the effectiveness of the Board as a whole, of each of the directors and of each committee of directors and consider the impact that the number of directors has on effectiveness of the Board.
- (v) Conduct an annual discussion among independent directors on the role and effectiveness of independent directors;
- (vi) Ensure that each Board Committee has a clear, written mandate and is performing diligently the tasks necessary to limit Board liability;
- (vii) Oversee the administration of the Corporation's Manual of Corporate Practices;
- (viii) Oversee an annual review of each director's business interests in accordance with the Corporation's Conflict of Interest Policy to ascertain which conflicts might exist with respect to the interests of the Corporation and how such conflicts, if any, are to be managed so as to ensure the independence of directors and to protect the interests of the Corporation and its shareholders; and
- (ix) Review disclosure of corporate governance matters to ensure that shareholders are adequately informed of the Board's procedures for governance on their behalf.

To help ensure that the Corporation makes full and timely disclosure of all material information related to its operations and complies with all aspects of the law in this respect, the Corporation has adopted the Disclosure Policy as outlined in "Schedule A".

### **Assessments**

Independent directors meet annually without non-independent directors to assess the effectiveness of the Board. No formal method of evaluation is used.

### **RESPONSE TO SHAREHOLDERS**

The Corporation communicates regularly with its shareholders and maintains a website at [www.seabridgegold.net](http://www.seabridgegold.net). Management is available to shareholders to respond to questions and concerns on a prompt basis. The Board

believes that management's communications with shareholders, and the avenues available for shareholders and others interested in the Corporation to have their inquiries about the Corporation answered, are responsive and effective.

If you have issues, questions or comments which you would like to have considered by your directors at the Annual Meeting of Shareholders please advise us at: The Secretary, Seabridge Gold Inc., 106 Front Street East, Suite 400, Toronto, Ontario, Canada M5A 1E1, info@seabridgegold.net or by fax at 416-367-2711.

#### EXPECTATIONS AND ACCOUNTABILITY OF MANAGEMENT

The Board's access to information relating to the operations of the Corporation, through the membership on the Board of directors of a key member of management and, as necessary, the attendance by other members of management at the request of the Board, are key elements to the effective and informed functioning of the Board of the Corporation. Monthly financial reports are provided to all directors which reconcile actual to budgeted expenditures. In addition, commencing with the first quarter of 2004, the Corporation's auditors have undertaken formal reviews of quarterly financial statements. This review includes a meeting between the Board's Audit Committee and the auditors. In the past, the Corporation has followed this procedure on an informal basis but has elected to formalize the review in keeping with new standards for continuous financial disclosure. The Board believes that a formal review by the auditors is a useful way to assure shareholders of management's accountability.

The Board is directly involved in setting and approving goals and plans and monitoring performance. This process establishes clear expectations of management and accountability for results. The Board expects the Corporation's management to take the initiative in identifying opportunities and risks affecting the Corporation's business and finding ways to deal with these opportunities and risks for the benefit of the Corporation. The Board is confident that the Corporation's management responds ably to this expectation.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,527,500 <sup>(1)</sup>	\$13.53	275,000
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,527,500 <sup>(1)</sup>	\$13.53	275,000

(1) Excludes the 425,000 options, each having an exercise price of \$10.54 per share, that were subject to subsequent approvals described below under the heading "Particulars of Other Matters to be Acted Upon – Approval of Stock Option Grants".

#### Information Concerning the Corporation's Stock Option Plan

At the Corporation's annual general meeting held on June 18, 2008, the shareholders approved the Option Plan, which was to be adopted upon the listing of the Corporation's common shares on The Toronto Stock Exchange ("TSX"). The Corporation's common shares were listed on TSX on July 14, 2008 and the Option Plan was adopted in connection therewith.

The Option Plan is a fixed share stock option plan pursuant to which the number of common shares reserved for issuance is fixed from time to time by the shareholders of the Corporation. Other information relating to the Option Plan is summarized as follows:

- Options may be granted to directors, officers and employees of the Corporation as well as persons or corporations engaged to provide services to the Corporation (or any entity controlled by the Corporation) and any individuals employed by such persons or corporations.
- At April 30, 2009, the number of shares issuable pursuant to the exercise of options granted under the Option Plan (and issuable under all security based compensation arrangements of the Corporation) cannot exceed 1,740,000 common shares of the Corporation unless such figure is amended with the approval of the Corporation's shareholders. This figure represents approximately 4.7% of the Corporation's issued and outstanding shares as of April 30, 2009. As discussed below under the heading "Particulars of Other Matters to be Acted Upon – Amendment of the Stock Option Plan to Increase Shares Reserved", the Corporation is proposing to increase the number of shares issuable pursuant to the exercise of options granted under the Option Plan by 800,000 common shares.
- As of April 30, 2009, an aggregate of 1,915,000 options are outstanding under the Option Plan. This figure represents approximately 5.1% of the Corporation's issued and outstanding shares as of April 24, 2009. As discussed below under the heading "Particulars of Other Matters to be Acted Upon – Approval of Stock Option Grants", 425,000 of these options were granted in December 2008, but the exercise of such options was subject to subsequent approvals. If these options are excluded, an aggregate of 1,490,000 options would be outstanding under the Option Plan as of April 30, 2009 representing approximately 4% of the Corporation's issued and outstanding shares as of such date.
- The number of shares issuable to insiders of the Corporation at any time, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the Corporation's issued and outstanding shares.
- The number of shares issued to insiders of the Corporation as a group, within any one year period, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the Corporation's issued and outstanding shares as at the end of such one year period.
- The exercise price for options granted under the Option Plan must be not less than the closing market price on the day preceding the date of grant of the options.
- Vesting of options will be at the discretion of the Board of Directors, or any committee authorized by the Board of Directors to administer the Option Plan.
- The maximum term of options granted under the Option Plan will be 5 years from the date of grant.
- If an optionee ceases to be eligible to receive options under the Option Plan as a result of termination for cause, any outstanding options held by such optionee on the date of such termination shall be cancelled as of that date.
- If an optionee ceases to be eligible to receive options under the Option Plan for reasons other than termination for cause (or death), any outstanding options held by such optionee at such time shall remain exercisable for a period ending on the earlier of the expiry time of such option or three months after the optionee ceases to be eligible to receive options. Notwithstanding the foregoing, the Board of Directors may, on a case by case basis, allow such options to remain in full force and effect until any time up to the original expiry time of such options, irrespective of whether such expiry time is more than three months after the optionee ceases to be eligible to receive options.
- The Board of Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Corporation or the Option Plan, suspend, terminate or discontinue the Option Plan at any time, or amend or revise the terms of the Option Plan or of any option granted under the Option Plan to:
  - (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Option Plan;
  - (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;

- (c) change vesting provisions;
- (d) change termination provisions for an insider provided that the expiry time does not extend beyond the original expiry time under the Option Plan;
- (e) change termination provisions for an optionee who is not an insider beyond the original expiry time;
- (f) reduce the exercise price of an option for an optionee who is not an insider; and
- (g) implement a cashless exercise feature, payable in cash or securities;

provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an optionee under the Option Plan without the consent of that optionee. Any other amendments to the Option Plan or options granted there under will be subject to the approval of the shareholders. In particular, the Option Plan specifies that the Option Plan may not be amended without approval of shareholders in any of the following ways:

- (h) to increase the Option Plan maximum or number of shares reserved for issuance under the Option Plan;
  - (i) to grant additional powers to the board of directors to amend the Option Plan or individual options without shareholder approval;
  - (j) to reduce the exercise price of options or other entitlements held by insiders;
  - (k) to extend to the term of options held by insiders; and
  - (l) to change the insider participation limits to those that would have triggered the requirement for disinterested shareholder approval of the Option Plan.
- The Option Plan does not contain any provisions relating to the provision of financial assistance by the Corporation to optionees to facilitate the purchase of common shares upon the exercise of options.
  - Stock options granted under the Option Plan are not assignable, but may be exercised by the personal representative of a deceased optionee.
  - Any outstanding stock options with an expiry date occurring during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.
  - The Plan requires adjustments to the numbers of shares which may be acquired and the exercise price of options in the event the Corporation proceeds with certain changes or transactions in which the Corporation's share capital is altered, some form of corporate reorganization or special distribution is completed, a merger, amalgamation, spinout transaction, plan of arrangement, takeover bid, compulsory acquisition or going private transaction is completed. In such case the provisions typically entitle the optionee to acquire, at the same aggregate price, the shares, cash, securities or other property to which the optionee would have been entitled had the optionee held the shares issuable under the option before such transaction, with certain exceptions. In the event that the Corporation agrees to a transaction, or is subject to a takeover bid, under which greater than 2/3rds of its outstanding shares are acquired by another person or group of persons acting in concert, the Option Plan also gives the directors the discretion to transform the option into a stock appreciation right. In the event an option is transformed into a stock appreciation right, the holder shall then be entitled to a cash payment instead of being entitled to acquire shares at a certain price. The amount of the cash payment payable shall be calculated as follows:

$$\text{Cash} = S \times (\text{AP} - \text{EP})$$

Where: S is the number of shares subject to the Option to which the relevant stock appreciation right relates;

EP is the Exercise Price of the Option to which the relevant Stock Appreciation Right relates; and

AP is the cash value of the consideration offered in the transaction, and if the consideration offered is not cash then the cash value shall be determined as of the date the consideration is initially offered. In the case of securities publicly traded on an exchange or quotation system, the cash value shall be determined using the 15 trading day volume weighted average price of the securities offered. In the

case of securities not publicly traded, the cash value shall be determined in the manner decided by the directors of the Corporation, acting reasonably.

- Other than in these circumstances, the Option Plan does not contain provisions allowing the Corporation to transform a stock option into a stock appreciation right.

#### **INDEBTEDNESS TO CORPORATION OF DIRECTORS AND EXECUTIVE OFFICERS**

No person who is, or at any time during the most recently completed financial year was, a director, proposed nominee for election as a director, executive officer, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries, or any associate thereof, is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation, or had indebtedness to another entity during that period which was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Corporation or any of its subsidiaries.

#### **APPOINTMENT OF AUDITORS**

Shareholders will be asked to vote on the reappointment of KPMG LLP, Chartered Accountants, of Suite 3300 Commerce Court West, Toronto, Ontario, as Auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid the Auditors.

#### **AUDITORS' FEES**

For the years ended December 31, 2008 and 2007, the Corporation paid the external auditors \$269,500 as detailed below:

	<u>2008</u>	<u>2007</u>
Audit services	\$130,000	\$136,000
Audit related services	39,000	30,000
Tax fees	<u>13,482</u>	<u>3,500</u>
	<u>\$182,482</u>	<u>\$169,500</u>

#### **MANAGEMENT CONTRACTS**

No management functions of the Corporation are performed to any substantial degree by a person other than the directors or executive officers of the Corporation.

#### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

##### **Amendment of the Stock Option Plan to Increase Shares Reserved**

At April 30, 2009, the Option Plan, as presently constituted, provides that a total of 1,740,000 common shares are reserved for issuance upon the exercise of stock options granted under or otherwise subject to the Option Plan. The Corporation granted options on December 4, 2008, that would have resulted in the total number of shares that could be acquired on exercise of outstanding options exceeding the number of shares reserved for issue by 150,000 shares and, accordingly, made the exercise of 425,000 of such options, all of which are held by directors, subject to shareholders approving an increase in the number of shares reserved for issue under the Option Plan. The Corporation considers it appropriate to amend the Option Plan to increase the number of shares that are reserved for issue under the Option Plan by more than just the number of shares required to permit the 425,000 options granted on December 4, 2008 to be exercisable in order to give the Corporation the ability to grant further options. The Corporation proposes to increase the number of shares reserved for issue under the Plan by 800,000 shares, resulting in the aggregate number of shares reserved for issue under the Plan (but not already issued) being

2,540,000 shares, representing not more than 6.8% of its outstanding shares. The increased number of available options will facilitate the Corporation's search for and retention of senior management and to provide additional incentive to the Corporation's employees, officers and directors.

Accordingly, at the Meeting shareholders will be asked to pass a resolution in the following form:

**“BE IT RESOLVED** that the amendment of the Corporation’s Stock Option Plan to increase the number of shares reserved for issuance under the Plan by 800,000 shares is hereby approved.”

A copy of the proposed Option Plan, reflecting the terms of the Option Plan if the foregoing resolution is approved, is available for review on the Corporation’s website at [www.seabridgegold.net](http://www.seabridgegold.net).

### **Approval of Stock Option Grants**

On December 4, 2008, the Board of Directors granted an aggregate of 425,000 stock options under the Option Plan to the directors of the Corporation, which options only become exercisable upon receipt of certain shareholder approvals described below. With respect to such options:

- **Exercise Price.** The exercise price per option is equal to the closing price of the Corporation’s common shares on TSX on December 5, 2008, being \$10.54.
- **Term.** All such options have a five year term, expiring December 4, 2013.
- **Vesting.** The options shall vest upon the Corporation entering into a significant transaction involving its interest in the Courageous Lake Project or the Kerr-Sulphurets-Mitchell Project or both, including the acquisition of a majority interest in the Corporation.
- **Shareholder Approval.** The right to exercise the options granted, all of which were granted to directors of the Corporation, including the President and CEO and the Chairman, was made subject to shareholder approval of the specific grant as well as approval of the increase in shares reserved for issue under the Option Plan. The option grants to be approved by the shareholders are as follows:

James S. Anthony	150,000
options	
Rudi P. Fronk	150,000 options
A. Frederick Banfield	25,000 options
William M. Calhoun	25,000 options
Thomas C. Dawson	25,000 options
Louis J. Fox	25,000 options
Eliseo Gonzalez-Urien	<u>25,000 options</u>
<b>Total:</b>	<b>425,000 options</b>

Accordingly, at the Meeting shareholders will be asked to pass an ordinary resolution approving the option grants in the following form:

**“BE IT RESOLVED** that the grant to directors of the Corporation of an aggregate of 425,000 options of the Corporation having such terms as are summarized in the Corporation’s Management Proxy Circular related to this meeting, with an exercise price of \$10.54 per share and an expiry date of December 4, 2013, is hereby ratified, confirmed and approved.”

The foregoing resolutions must be approved by disinterested shareholders, being those shareholders that were not granted the options that are the subject of the resolution.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out herein, no person: (a) who has been a director or executive officer of the Corporation at any time since the commencement of the Corporation's last fiscal year; (b) who is a proposed nominee for election as a director of the Corporation; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), has material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the meeting.

## **OTHER MATTERS**

Management of the Corporation is not aware of any other matter to come before the Meeting other than as set forth in the notice of meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation at 106 Front Street East, Suite 400, Toronto, Ontario, Canada M5A 1E1 or by phone 416-367-9292 or by fax 416-367-2711 or by e-mail at [info@seabridgegold.net](mailto:info@seabridgegold.net) to request copies of the Corporation's financial statements and MD&A.

Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

The Corporation also files with the United States Securities and Exchange Commission and the American Stock Exchange and its Annual Report on Form 20-F is available at [www.sec.gov/edgar.shtml](http://www.sec.gov/edgar.shtml).

## **APPROVAL**

The Board of Directors of the Corporation has approved the contents and sending of this Management Proxy Circular.

DATED this 24<sup>th</sup> day of April, 2009.

## **SEABRIDGE GOLD INC.**



Rudi P. Fronk  
President and CEO

**SEABRIDGE GOLD INC.**

**AMENDED AND RESTATED 2008 STOCK OPTION PLAN**  
**[As approved by shareholders on June 18, 2009]**

ARTICLE ONE

DEFINITIONS AND INTERPRETATIONS

Section 1.01 Definitions: For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Corporation, which, when added to all other voting securities of the Corporation at the time held by such person or by such person and all Joint Actors, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Corporation or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Corporation;
- (b) "**Committee**" shall mean the Directors or, if the Directors so determine in accordance with section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan;
- (c) "**Common Shares**" shall mean the common shares of the Corporation, as adjusted in accordance with the provisions of Article Six of the Plan;
- (d) "**Corporation**" shall mean Seabridge Gold Inc., a corporation existing pursuant to the provisions of the *Business Corporations Act* (Canada);
- (e) "**Directors**" shall mean the directors of the Corporation from time to time;
- (f) "**Eligible Insiders**" shall mean the Insiders of the Corporation or of any subsidiary of the Corporation from time to time who, by the nature of their positions are, in the opinion of the Committee, in a position to contribute to the success of the Corporation;
- (g) "**Eligible Employees**" shall mean employees, including officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any subsidiary of the Corporation who, by the nature of their positions or jobs are, in the opinion of the Committee, in a position to contribute to the success of the Corporation;
- (h) "**Expiry Date**" means the later of: (i) the date specified by the Committee at the time of the grant of the Option as the date on which it expires; and (ii) if the date referred to in the foregoing subpart (i) occurs during, or within five (5) trading days after the end of, a trading black-out period imposed by the Corporation (a "**black out period**"), the Expiry Date shall be the date that is ten (10) trading days following the date on which such black out period ends or, if an additional black-out period is subsequently imposed by the Corporation during the such ten trading day period, then the Expiry Date shall be the date thereafter that is the tenth consecutive trading day during which no management imposed black out is in place;
- (i) "**Expiry Time**" has the meaning given to that term in Section 4.04;

- (j) **"Insider"** means an insider as defined in the Securities Act;
- (k) **"Joint Actor"** means a person acting "jointly or in concert with" another person as that phrase is interpreted in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*;
- (l) **"Option"** shall mean an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (m) **"Option Agreement"** means an agreement, substantially in the form attached hereto as Schedule "A", with such additions there to or modifications thereof as may be approved by the Corporation prior to or at the time an Option is granted, whereby the Corporation grants to an Optionee an Option;
- (n) **"Optionee"** means a Participant to whom an Option has been granted pursuant to the Plan;
- (o) **"Option Period"** for a particular Option shall mean the period of time commencing on the date of grant of such Option and ending at the Expiry Time;
- (p) **"Option Shares"** means the aggregate number of Common Shares which an Optionee may purchase under an Option;
- (q) **"Participant"** means a person eligible to be issued Options under the Plan by virtue of being either an Eligible Insider, Eligible Employee or Service Provider;
- (r) **"Plan"** shall mean this stock option plan;
- (s) **"Securities Act"** means the *Securities Act* (Ontario), as may be amended from time to time;
- (t) **"Service Provider"** shall mean any person or corporation, other than an Eligible Employee or Eligible Insider, engaged to provide services for the Corporation or for any entity controlled by the Corporation for an initial, renewable or extended period of twelve months or more (or such lesser period of time as may be approved by the Committee and acceptable to TSX on a case by case basis), and shall also include any individuals employed by such person or corporation;
- (u) **"TSX"** shall mean The Toronto Stock Exchange;
- (v) **"Unissued Option Shares"** means the number of Common Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of Article 6, such adjustments to be cumulative; and
- (w) **"Vested"** means that an Option has become exercisable in respect of Options held by an Optionee.

Section 1.02 Securities Definitions: In the Plan, the terms "associate", "subsidiary" and "insider" shall have the meanings given to such terms in the Securities Act.

Section 1.03 Headings: The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 Context, Construction: Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 References to the Plan: The words "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 Canadian Funds: Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

## ARTICLE TWO

### PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 Purpose of the Plan: The Plan provides for the grant of Options to Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of directors, officers, employees and service providers of the Corporation and subsidiaries of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by directors, officers, employees and service providers of the Corporation and subsidiaries of the Corporation, it being generally recognized that stock option plans aid in attracting, retaining and encouraging directors, officers, employees and service providers due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

The Plan is designed to comply with the policies set forth in the TSX Company Manual and, subject to Section 8.01, is to be implemented and effective upon the listing of the Common Shares on TSX.

Section 2.02 Administration of the Plan: The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 Delegation to Committee: All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.

Section 2.04 Record Keeping: The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee; and

(c) the aggregate number of Common Shares subject to Options.

Section 2.05 Previously Granted Options: As set forth in Sections 2.01 and 8.01, the Plan is to be implemented and effective upon the listing of the Corporation's common shares on TSX (with the date of such listing to be hereinafter referred to as the "**Listing Date**"). In the event that on the Listing Date there are outstanding stock options (the "**Pre-Existing Options**") that were previously granted by the Corporation pursuant to any stock option plan (a "**Pre-Existing Plan**") in place prior to the Listing Date, all such Pre-Existing Options shall, effective as of the Listing Date, be governed by and subject to the terms of the Plan, except if certain terms governing a Pre-Existing Option are inconsistent with the Plan then the terms of the Pre-Existing Option shall govern. Notwithstanding anything stated herein, a person holding Pre-Existing Options shall be deemed to satisfy the criteria necessary to be a Participant under the Plan in respect of its eligibility under the Plan to have been granted and hold the Pre-Existing Options.

Section 2.06 Amendments Apply to Granted Options: Any amendments made to the terms of the Plan after the date hereof that are of general application shall apply to all Options governed by the Plan, whether granted before or after the date of the amendment or made subject to the Plan by operation of Section 2.05 above.

### ARTICLE THREE

#### ELIGIBILITY AND PARTICIPATION IN THE PLAN AND GRANT OF OPTIONS

Section 3.01 Eligibility: Options shall only be granted to Participants.

Section 3.02 Determination of Option Recipients and Option Terms: The Committee shall from time to time determine the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the date of expiry of each Option granted to each Participant and the other terms of each Option granted to each Participant including any vesting provisions that may be applicable, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant. Each Option granted to a Participant shall be evidenced by an Option Agreement containing terms and conditions consistent with the provisions of the Plan, which terms and conditions need not be the same in each case.

### ARTICLE FOUR

#### NUMBER OF COMMON SHARES SUBJECT TO THE PLAN, EXERCISE PRICE AND TERM OF OPTIONS

Section 4.01 Number of Shares: As of April 30, 2009, the aggregate number of Common Shares reserved for issuance under the Plan and which may be issued upon exercise of Options, including those issuable upon the exercise of Pre-Existing Options together with those Common Shares reserved for issuance under any other established security based compensation arrangement of the Corporation, shall not exceed 2,540,000 Common Shares, as constituted on April 30, 2009, representing a limit of not more than 6.8% of the outstanding Common Shares of the Corporation at April 30, 2009. Any Common Shares subject to an Option governed by the Plan and which has been subsequently cancelled or terminated in accordance with the terms of the Plan, without having been exercised, will again be available for issuance pursuant to the exercise of Options granted under the Plan.

Section 4.02 Limits on Grants to Insiders: With respect to Options granted to Insiders:

- (a) the number of Common Shares issuable to Insiders at any time under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at such time; and
- (b) the number of Common Shares issued to Insiders as a group within a one year period under all security based compensation arrangements shall not exceed 10% of the total number of issued and outstanding Shares as at the end of such one year period.

Section 4.03 Exercise Price: The price per share at which any Common Share which is the subject of an Option may be purchased (the “**Exercise Price**”) shall be determined by the Committee at the time the Option is granted, provided that such price shall be not less than the closing market price of the Common Shares on the TSX on the day preceding the date of grant or, if the Common Shares are not then listed on the TSX, on the most senior of any other exchange on which the Common Shares are then traded, on the last trading day immediately preceding the date of grant of such Option.

Section 4.04 Term of Options: The date specified by the Committee at the time of the grant of an Option as the date on which it expires shall be determined by the Committee in its discretion, provided that such date shall be not more than 5 years after the date of grant. An Option Period shall expire at 4:00PM (Toronto time) on the Expiry Date (the “**Expiry Time**”). The Committee may determine the number or percentage of Common Shares which may be purchased by an Optionee during any particular time period within the Option Period.

Section 4.05 Vesting: The Committee may, at its discretion, determine and impose terms upon which each Option shall become Vested. In the event that the Committee imposes a vesting schedule in respect of any Options granted to an Optionee, at any point in time the Optionee will only be entitled to exercise those Options which are Vested at such point in time. Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirements on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become Vested.

## ARTICLE FIVE

### EXERCISE OF OPTION, EFFECT OF DEATH AND TERMINATION OF EMPLOYMENT AND WITHHOLDING TAXES

Section 5.01 Exercise of Option: Subject to: (i) any restriction on the number or percentage of Common Shares which may be purchased by the Optionee during any particular time period within the Option Period as determined by the Committee; (ii) the vesting provisions applicable to the Option, if any; and (iii) termination of the Option in accordance with the terms of the Plan, an Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period. An Option shall be exercisable by delivering to the Corporation written notice specifying the number of Common Shares in respect of which the Option is exercised together with payment in full of the Exercise Price for each Option exercised by way of certified cheque, bank draft, money order or cash. Upon receipt of such notice and payment by the Corporation, there will be a binding contract for the issue of the Common Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

Section 5.02 Effect of Death: If a Participant shall die while an Optionee, any Option held by such Optionee at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of one year after the date of death of the Optionee or prior to the

Expiry Time in respect of the Option, whichever is sooner, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

Section 5.03 Effect of Ceasing to be a Participant – For Cause: If an Optionee shall cease to meet the criteria necessary to be a Participant as a result of being terminated for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Options held by such Optionee on the date of such termination, whether Vested or not, shall be cancelled as of that date.

Section 5.04 Effect of Ceasing to be a Participant – For Reasons Other than For Cause: If an Optionee shall cease to meet the criteria necessary to be a Participant for reasons other than termination for cause or by virtue of death, any Option held by such Optionee at such time shall remain exercisable in full at any time, and in part from time to time, for a period ending on the earlier of the Expiry Time and three (3) months after the date on which the Optionee ceases to be a Participant, and then only to the extent that such Optionee was entitled to exercise the Option on the date on which the Optionee ceased to be a Participant. Notwithstanding the foregoing provisions of this Section 5.04, the Committee may, on a case by case basis, allow Options held by an Optionee that ceases to meet the criteria necessary to be a Participant for reasons other than termination for cause or by virtue of death, to remain exercisable in full at any time, and in part from time to time, for such period as the Committee determines but not after the Expiry Time (without any additional Common Shares vesting) where such Expiry Time is more than three (3) months after the date on which the Optionee ceases to be a Participant.

Section 5.05 Withholding Taxes: The Corporation or any subsidiary of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any subsidiary of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option until such time as the Optionee has paid the Corporation or any subsidiary of the Corporation for any amount which the Corporation or subsidiary of the Corporation is required to withhold with respect to such taxes.

## ARTICLE SIX

### CAPITAL CHANGES

Section 6.01 Share Reorganization: Whenever the Corporation issues Common Shares to all or substantially all holders of Common Shares by way of a stock dividend or other distribution, or subdivides all outstanding Common Shares into a greater number of Common Shares, or combines or consolidates all outstanding Common Shares into a lesser number of Common Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation:

- (a) for each Option the Exercise Price will be adjusted to a price per Common Share which is the product of:
  - (i) the Exercise Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Common Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Common

Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and

- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

6.02 Special Distribution: Subject to the prior approval of the TSX, whenever the Corporation issues by way of a dividend or otherwise distributes to all or substantially all holders of Common Shares;

- (a) shares of the Corporation, other than the Common Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Directors have determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Common Shares are determined for purposes of the Special Distribution, for each Option the Exercise Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Directors in their sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

6.03 Corporate Reorganization: Whenever there is:

- (a) a reclassification of outstanding Common Shares, a change of Common Shares into other shares or securities, or any other capital reorganization of the Corporation, other than as described in Sections 6.01 or 6.02;
- (b) a consolidation, merger or amalgamation of the Corporation with or into another corporation resulting in a reclassification of outstanding Common Shares into other shares or securities or an exchange of Common Shares into other shares or securities; or
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Corporation become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Corporation's shareholders, or the exchange with the Corporation's shareholders, of securities of the Corporation, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Corporation's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

6.04 Spin-Out Transaction: If pursuant to the operation of section 6.03(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the Expiry Date of the Subject Options; (ii) if the Optionee does not become a Participant in respect of the New Company, the date that the Subject Options expire pursuant to Sections 5.02, 5.03 or 5.04, as applicable; (iii) if the Optionee becomes a Participant in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to Sections 5.02, 5.03 or 5.04 hereof; and (iv) the date that is two (2) years after the Optionee ceases to be a Participant in respect of the New Company or such shorter period as determined by the Board.

6.05 Determination of Exercise Price and Number of Unissued Option Shares: If any questions arise at any time with respect to the Exercise Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Corporation's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Toronto, Ontario, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

6.06 Regulatory Approval: Any adjustment to the Exercise Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any provision of this Article Six is subject to the approval of the TSX and any other governmental authority having jurisdiction.

## ARTICLE SEVEN

### TAKE-OVER BIDS AND CHANGES OF CONTROL

7.01 Effect of a Take-Over Bid: If a bona fide offer (an "**Offer**") for Common Shares is made to an Optionee or to shareholders of the Corporation generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Corporation, within the meaning of subsection 1(1) of the Securities Act, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Common Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Common Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Common Shares received upon such exercise, or in the case of clause (b) above, the Common Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Common Shares and with respect to such returned Common Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Common Shares were to become Vested pursuant to this section shall be reinstated. If any Common Shares are returned to the Corporation under this Section 7.01, the Corporation shall immediately refund the Exercise Price to the Optionee for such Common Shares.

7.02 Acceleration of Expiry Time: If, at any time when an Option granted under the Plan remains unexercised, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of the full particulars of the Offer, declare all Common Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Time for the exercise of all unexercised Options granted under the

Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer, provided such Offer is completed.

7.03 Transformation of Options to Stock Appreciation Rights: In the event that a person, or a group of Joint Actors, makes an Offer or the Corporation completes a Corporate Reorganization described in Section 6.03(b), and in either case acquires greater than 2/3rds of the outstanding Common Shares of the Corporation pursuant to such transaction, then the Directors may declare, after giving adequate notice to all Optionees, all outstanding Options granted under the Plan are transformed into Stock Appreciation Rights and must provide prompt notice thereof to each Optionee. If the Options are transformed into Stock Appreciation Rights, thereafter each Optionee shall be entitled, upon delivering notice of exercise of a Stock Appreciation Right to the Corporation, to receive that amount of cash equal to the amount determined by the following formula:

$$\text{Cash} = S \times (\text{AP} - \text{EP})$$

Where: S is the number of Common Shares subject to the Option to which the relevant Stock Appreciation Right relates

EP is the Exercise Price of the Option to which the relevant Stock Appreciation Right relates

AP is the cash value of the consideration offered in the Offer or the Corporate Reorganization, and if the consideration offered is not cash then the cash value shall be determined as of the date the consideration is initially offered. In the case of securities publicly traded on an exchange or quotation system, the cash value shall be determined using the 15 trading day volume weighted average price of the securities offered. In the case of securities not publicly traded, the cash value shall be determined in the manner decided by the Directors, acting reasonably.

7.04 Compulsory Acquisition or Going Private Transaction: If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Company pursuant to Section 206 of the *Business Corporations Act* (Canada) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

7.05 Effect of a Change of Control: If a Change of Control occurs, all Common Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the respective Optionee.

## ARTICLE EIGHT

### EFFECTIVE DATE OF PLAN, AMENDMENT OF PLAN AND TERMINATION OF PLAN

Section 8.01 Effective Date of Plan: Subject to the approval of the Directors and the shareholders of the Corporation, the Plan is to be implemented and effective upon the listing of the Common Shares on

TSX. Such shareholder approval must be given by the affirmative vote of a majority of the Common Shares represented at the meeting of the shareholders of the Corporation at which a motion to approve the Plan is presented.

Section 8.02 Amendment of Plan: The Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Corporation or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan to:

- (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the Plan;
- (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;
- (c) change vesting provisions;
- (d) change termination provisions for an Insider provided that the Expiry Time does not extend beyond the original Expiry Time under the Plan;
- (e) change termination provisions for an Optionee who is not an Insider beyond the original Expiry Time;
- (f) reduce the Exercise Price of an Option for an Optionee who is not an Insider; and
- (g) implement a cashless exercise feature, payable in cash or securities;

provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

Section 8.03 Amendments Requiring Shareholder Approval: Any amendments to the Plan or Options granted thereunder, other than those described in Section 8.02 above, will be subject to the approval of the shareholders. For greater certainty, the Directors may not, without shareholder approval and the prior approval, if required, of TSX, amend or revise the terms of the Plan or of any Option granted under the Plan to:

- (a) increase the Plan maximum or number of shares reserved for issuance under the Plan;
- (b) grant additional powers to the board of directors to amend the Plan or individual Options without shareholder approval;
- (c) reduce the exercise price of Options or other entitlements held by insiders;
- (d) extend to the term of Options held by insiders; and
- (e) change the insider participation limits to those that would have triggered the requirement for disinterested shareholder approval of the Plan under requirements of the TSX.

Section 8.04 Termination of the Plan: The Plan may be terminated at any time by the Directors. Notwithstanding the termination of the Plan, any Option outstanding under the Plan at the time of termination shall remain in effect until such Option has been exercised, has expired, has been surrendered to the Corporation or has been terminated.

## ARTICLE NINE

### MISCELLANEOUS PROVISIONS

Section 9.01 Non-Assignable: No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 9.02 Rights as a Shareholder: No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of exercise of any Option.

Section 9.03 No Contract of Employment: Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of the Corporation or any subsidiary of the Corporation nor interfere or be deemed to interfere in any way with any right of the Corporation or any subsidiary of the Corporation to discharge any Participant at any time for any reason whatsoever, with or without cause.

Section 9.04 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement: If an Optionee retires, resigns or is terminated from employment or engagement with the Corporation or any subsidiary of the Corporation, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

Section 9.05 Necessary Approvals: The obligation of the Corporation to grant any Option pursuant to the Plan and to issue, sell and deliver any Common Shares on the exercise of an Option is subject to the approval of any governmental authority or regulatory body required in connection with the grant of such Option or the issue, sale and delivery of such Common Shares by the Corporation. Any Options granted prior to the Corporation's receipt of such required approvals shall be conditional upon such approval being given and no Options may be exercised unless such approval has been given.

In the event that any Common Shares cannot be issued to any Optionee pursuant to the exercise of an Option for any reason whatsoever including, without limiting the generality of the foregoing, the failure to obtain any required approval, then the obligation of the Corporation to issue such Common Shares shall terminate and any money paid to the Corporation in connection with the exercise of such Option shall be returned to the Optionee without interest or deduction.

Section 9.06 Form of Notice: A notice given to the Corporation shall be in writing, signed by the Optionee and delivered to the head business office of the Corporation.

Section 9.07 Conflict: In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

Section 9.08 Time of Essence: Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

Section 9.09 Entire Agreement: This Plan and the applicable Option Agreement set out the entire agreement between the Corporation and the applicable Optionee relative to the subject matter hereof and supersede all prior agreements, undertakings and understandings, whether oral or written.

Section 9.10 No Representation or Warranty: The Corporation makes no representation or warranty as to the value of any Option granted pursuant to the Plan or as the future value of any Common Shares issued pursuant to the exercise of any Option.

Section 9.11 Compliance with Applicable Law: If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 9.12 Applicable Law: The Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of Ontario.

Plan approved by the Board of Directors effective June 20, 2008.

Plan approved by the shareholders of the Corporation effective June 18, 2008

**Effective date of Plan: July 14, 2008**

**SCHEDULE "A"**

**SEABRIDGE GOLD INC.**

**STOCK OPTION PLAN - OPTION AGREEMENT**

This Option Agreement is entered into between Seabridge Gold Inc. (the "**Corporation**") and the Optionee named below pursuant to the Corporation's Stock Option Plan (the "**Plan**"), a copy of which is attached hereto, and confirms that:

1. on ●, 200● (the "**Grant Date**");
2. ● (the "**Optionee**");
3. was granted the option (the "**Option**") to purchase ● Common Shares (the "**Option Shares**") of the Corporation;
4. for the price (the "**Option Price**") of \$● per share;
5. which shall be exercisable in full upon approval [OR set forth applicable vesting schedule];
6. terminating on the ●, 200● (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

The Optionee acknowledges that any Option Shares received by him upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him or to assist him in complying with any exemption from such registration if he should at a later date wish to dispose of the Option Shares. **[Following to be included in Option Agreements with "U.S. Persons" -** The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

*"The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company."*

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**Acknowledgement – Personal Information**

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to all regulatory authorities of all personal information of the undersigned obtained by the Corporation; and
- (b) the collection, use and disclosure of such personal information by the all regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

**IN WITNESS WHEREOF** the parties hereto have executed this Option Agreement as of the ● day of ●, 200●.

**SEABRIDGE GOLD INC.**

\_\_\_\_\_  
Signature

Per: \_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_