

SEABRIDGE GOLD INC.

INTERIM REPORT TO SHAREHOLDERS

AND

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS

ENDED JUNE 30, 2009

MANAGEMENT'S COMMENTS ON UNAUDITED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements of Seabridge Gold Inc. for the three month and six month periods ended June 30, 2009 have been prepared by management and approved by the Board of Directors of the Company.

Report to Shareholders

Quarter Ended June 30, 2009

Recent Highlights

- Updated Preliminary Economic Assessment completed for KSM
- Land position expanded at KSM
- Agreements reached to sell Red Mountain and Nevada portfolio

KSM Preliminary Economic Assessment

An updated National Instrument 43-101 Preliminary Economic Assessment (“PEA”) has been completed for Seabridge’s 100% owned KSM project located in northern British Columbia, Canada. Changes in design and a reduction in the strip ratio for the open pit have materially reduced initial capital by 10% and unit operating costs by 11% compared to our 2008 study. The updated PEA confirms that KSM can be a significant gold producer at a total cost per ounce well below the gold industry average with the added benefits of a very long mine life within a stable political environment. Seabridge is now undertaking final in-fill drilling, engineering and environmental programs which will allow completion of a Preliminary Feasibility Study in early 2010. At that point, Seabridge will have successfully converted mineral resources to reserves.

Similar to the 2008 study, the updated PEA envisages a large tonnage open-pit mining operation at 120,000 metric tonnes per day of mill feed to a flotation mill which would produce a combined gold/copper/silver concentrate for transport by truck or pipeline to the nearby deep-sea port at Stewart, B.C. A separate molybdenum concentrate and gold-silver dore will also be produced at the processing facility.

Two mine plans are considered in the updated PEA: (i) a 30 year mine life designed to maximize a 5% net present value discounted mining schedule; and (ii) an extended 45⁺ year mine life based on larger pits designed to maximize total undiscounted net cash flow for the project. Both the 30 year and the extended mine life scenarios would follow a similar development path and capital payback would occur in the same time frame for both scenarios. Although the extended mine life scenario provides useful information, the updated PEA concentrated on the 30 Year scenario which will be used in the preparation of a Preliminary Feasibility Study and in Seabridge’s ongoing permitting program. Production highlights for the updated 30 year mine life are as follows (note the higher gold production in the earlier years):

Total Tonnes to Mill	1.29 billion
Annual Tonnes to Mill	43.2 million
Average Grades:	
Gold (grams per tonne)	0.61
Copper (%)	0.22
Silver (grams per tonne)	2.21
Molybdenum (parts per million)	51.9
Total Production:	
Gold (ounces)	19.3 million
Copper (pounds)	5.3 billion
Silver (ounces)	67.1 million
Molybdenum (pounds)	60.0 million
Years 1-8 Annual Production:	
Gold (ounces)	766,000
Copper (pounds)	136 million
Silver (ounces)	2.8 million
Molybdenum (pounds)	1.9 million
Life of Mine Annual Production:	
Gold (ounces)	644,000
Copper (pounds)	176 million
Silver (ounces)	2.2 million
Molybdenum (pounds)	2.0 million

Initial capital costs for KSM are now estimated at US\$3.08 billion, compared to US\$3.43 billion in the 2008 study, a reduction of approximately US\$350 million, or about 10%. Reduced mine equipment requirements and several project design changes contributed to the reduced capital costs. A revised mining schedule optimized the mining operation by reducing the waste-to-ore stripping ratios for the open pit. The primary grinding plant is now located at the Mitchell mine site allowing ore to be transported by slurry pipelines and pumping stations (rather than conveyors) through a tunnel to a further processing site near the tailings management area which has access to Highway 37. A high pressure grinding roll (HPGR) circuit now replaces the SAG mill circuit used in the 2008 study. The HPGR circuit will be refined subject to future test work. Rather than using a single large tunnel for ore transport and delivery of supplies to Mitchell, two smaller tunnels have been shown to be more cost effective, facilitating construction, ventilation and operational efficiencies. One of the tunnels will be used to transport ore slurry from Mitchell while returning water, diesel fuel and electrical power to the KSM mine site. The other tunnel will be used for transport of personnel and supplies to the Mitchell mine site from the plant location near Highway 37. After delivery of the slurry to the process plant, further primary grinding prior to flotation will be accomplished with efficient tower mills rather than ball mills.

Average mine, process and G&A operating costs over the project's life (including pre-stripping and waste handling) are now estimated at US\$10.57 per tonne milled (before base metal credits) compared to US\$11.89 per tonne milled in the 2008 study, a reduction of about 11%. Operating costs have been improved from the 2008 study by a new mine schedule which reduced waste-to-ore strip ratios, resulting in lower equipment and manpower requirements. Additionally, the use of the HPGR circuit and further regrinding with tower mills reduced operating costs for grinding media and electrical power.

A base case economic evaluation was undertaken incorporating historical three-year trailing averages for metal prices as of June 30, 2009. This approach is consistent with the guidance of the United States Securities and Exchange Commission, is accepted by the Ontario Securities Commission and is industry standard. An alternate case was also constructed using more conservative metal prices. Finally, a case was prepared using recent spot metal prices. The pre-tax economic results in U.S. dollars for all three cases are as follows:

	Base Case	Alternate Case	Recent Spot Metal Prices
Net Cash Flow	\$11.6 billion	\$6.3 billion	\$11.7 billion
NPV @ 5%	\$3.4 billion	\$1.4 billion	\$3.7 billion
IRR (%)	12.6	8.5	13.6
Payback Period (years)	6.6	8.8	5.8
Operating Costs Per Ounce of Gold Produced (life of mine)	-51	243	114
Total Costs Per Ounce of Gold Produced (includes all capital)	178	472	343
Metal Prices:			
Gold (\$/ounce)	778	800	950
Copper (\$/pound)	3.00	2.00	2.50
Silver (\$/ounce)	13.68	12.50	14.00
Molybdenum (\$/pound)	26.05	15.00	15.00
US\$/Cdn\$ Exchange Rate	0.90	0.90	0.90

Expansion of KSM Property Position

Seabridge has reached an agreement to purchase title to 22 mineral claims totaling 8,975 hectares (approximately 22,160 acres) immediately adjacent to KSM. On closing of the transaction, Seabridge will pay the seller C\$1.0 million in cash, issue 75,000 common shares of Seabridge and grant a 2.5% net smelter royalty ("NSR") on the claims being purchased. The purchased claims are also subject to a 2% NSR in favour of a previous owner of the claims. The transaction significantly increases the size of the KSM project, adding prospective ground for additional exploration, needed room for waste rock storage and project infrastructure and securing mineral rights to a part of the proposed tunnel route between the planned mining and milling facilities.

Sale of Non-Core Assets

Seabridge has entered into agreements to sell its Red Mountain Project (British Columbia, Canada) to Bonterra Resources and its remaining portfolio of Nevada assets to Cortez Resources. Under the agreement with Bonterra, at closing Seabridge would receive C\$7.0 million in cash, a \$5.0 million convertible debenture and recoup the \$1.0 million cash reclamation bond associated with the Red Mountain project. Under the agreement with Cortez, at closing Seabridge would receive US\$3.0 million in cash, a \$1.25 million convertible debenture and 5 million common shares of Cortez. Closing of each agreement is subject to regulatory approval as well as each of the companies obtaining financing to complete the transactions.

The Gold Market

If you watch financial television, you know that a new consensus has developed...the recession is over and the world is about to return to normal. The stock market, corporate bonds and many commodities have soared in price. The banking system has stabilized and the threat of systemic collapse has receded into the far distance. Welcome to the scariest depression we never had. Fear has left us and greed is back.

Gold has performed rather well given the new consensus. Its traditional role as a hedge against default...gold is universally accepted as final settlement...is no longer in fashion. Gold's other role as a hedge against currency debasement remains in favour among the minority of investors who fear inflation down the road because they do not believe the monetary and fiscal authorities when they promise to remove the excess stimulus they have created.

We at Seabridge have an alternate point of view for you to consider. Is it possible that unprecedented stimulus has re-ignited the bubble in financial assets, as the fiscal and monetary authorities appear to have intended? (Note that the U.S. equity market is now trading north of a 760 multiple on reported earnings). Is it possible that the real economy is not recovering and may not do so for some time? Is it possible that we could have another collapse in asset markets followed by another round of stimulus which pushes inflation onto the near term agenda and raises the perceived risk of sovereign defaults? We believe these are substantial risks in the months ahead.

Is not our pleasure to raise such negative questions. But consider our track record of predictions in these pages. Years before the herd, we observed that the world was in a midst of an historic credit bubble and we predicted the collapse of asset markets being driven by excess credit. We warned about crashes in mortgage debt, real estate and structured finance and their impact on the banking system. We predicted a deflation scare to be followed by a wave of inflation-generating stimulus unleashed by governments and central banks. We remind you of this track record because our current outlook is once again significantly out of step with the majority and the new consensus.

Our observations:

The banking system remains extremely undercapitalized and fragile. In Europe, leverage and exposure to risky, illiquid assets remain impossibly high. Throughout the developed world, write-downs and reserves allocated against anticipated losses trail delinquencies by a large and growing margin. Accelerated default rates which began in subprime mortgages have moved on to home equity loans, consumer and credit card debt and business obligations. Commercial real estate and residential prime mortgages are likely next and they weigh heavily on bank balance sheets. A new wave of mortgage resets is about to hit the U.S. market. Nor is Asia's banking system exempt from difficulties. China's lending boom is perhaps the scariest of all, as banks literally force money into uneconomic ventures to meet government quotas while capacity utilization continues to decline. Recent upticks in bank profits owe far more to trading profits and accounting rule changes (permitting asset revaluations on the balance sheet) than the traditional business of banking. If we are correct in anticipating a period of declining asset prices and rising unemployment, we would not be surprised to see a second coming of TARP.

Consumers are cutting back, increasing their savings and reducing leverage. Retirements funded by rising house prices and stock portfolios are no longer perceived as a certainty. In our view, the all-important American consumer will not return to form. Looking at the first iteration of the U.S. second quarter GDP report, David Rosenberg, former Chief Economist at Merrill Lynch and now Chief Economist at Gluskin Sheff writes: "Consumer spending came in at -1.2% annualized, twice the decline expected by the consensus. This occurred in the face of gargantuan fiscal stimulus and leaves us wondering how this critical 70% chunk of the economy is going to perform as the cash-flow boost from Uncle Sam's generosity recedes in the second half of the year.

Imagine, government transfers to the household sector exploded at a 33% annual rate, while tax payments imploded at a 33% annual rate and the best we can do is a -1.2% annualized decline in consumer spending in real terms and flat in nominal terms? What do we do for an encore?"

If consumption fails to recover, as we anticipate, this will have a depressing impact on business investment which is traditionally a major driver of economic recovery and job creation. We expect unemployment to remain stubbornly high for many months to come. What about the celebrated "green shoots" of economic recovery? After deducting the impact of government outlays from the economic data showing improvement, it is difficult to see anything but continuing decline in private demand and investment.

A further round of fiscal and monetary stimulus is likely as the economy continues to stall. In the U.S., the current fiscal year's deficit is already verging on US\$2 trillion while total monetary and fiscal stimulus commitments now total US\$13 trillion. World-wide, funding requirements this year for fiscal deficits require the borrowing of an estimated US\$5.3 trillion. These amounts cannot be met from savings. Merely attempting to fund these deficits out of the bond market would put enormous upward pressure on interest rates and crowd out the private wealth-generating investment the economy needs. Clearly, quantitative easing (the printing of money to purchase debt) will need to be accelerated. We would not be surprised to see more aggressive central bank purchases of gold to offset the risk of holding other currencies, particularly the US dollar.

In our view, it is the funding crisis that poses the greatest threat to the financial system and the stability of the world's major currencies. The issuance of government obligations in excess of savings is the very definition of inflation.

Deflationists argue that we will not see the effects of monetary inflation until we have closed the so-called "output gap"...the difference between the economy's theoretical growth potential and its actual performance...which represents underemployed people and underutilized capacity. This output gap is an elegant economic theory with considerable logic to back it, but alas, no supporting facts. As Jim Grant points out in the June 28, 2009 edition of Grant's Interest Rate Observer, economic history has many examples of inflation rising hand-in-hand with joblessness and negative real growth. And as Paul Kasriel, Research Director of Northern Trust notes in his June 1st report, there is no correlation between the real output gap and the inflation rate in the U.S. However, he does confirm a positive correlation between inflation and increases in the money supply which is continuing to grow.

At Seabridge, we believe the economy is headed in the wrong direction, not towards real growth but towards inflation, not towards savings and investment but towards government redistribution of income, loss of confidence in fiscal and monetary authorities, declining faith in fiat currencies and a much higher gold price.

Financial Results

During the three month period ended June 30, 2009 Seabridge posted a net loss of \$1,278,000 (\$0.03 per share) compared to a loss of \$1,305,000 (\$0.03 per share) for the same period last year. During the second quarter, Seabridge invested \$3,700,000 in mineral interests, primarily at KSM, compared to \$2,623,000 during the same period last year. At June 30, 2009, net working capital was \$24,077,000 compared to \$28,724,000 at March 31, 2009.

On Behalf of the Board of Directors,



Rudi P. Fronk
President and Chief Executive Officer
Toronto, Canada
August 13, 2009

Management's Discussion and Analysis

Three Months and Six Months Ended June 30, 2009

This Management's Discussion and Analysis is dated August 12, 2009 and reflects the three month and six month periods ended June 30, 2009 and should be read in conjunction with the interim consolidated financial statements for the same period and the Management's Discussion and Analysis included with the Audited Consolidated Financial Statements for the Year Ended December 31, 2008. The Company also published an Annual Information Form and an Annual Report on Form 20-F report filed with the U.S. Securities and Exchange Commission. These documents along with others published by the Company are available on SEDAR at www.sedar.com, on EDGAR at www.sec.gov/edgar.shtml and from the office of the Company. Other corporate documents are also available on SEDAR and EDGAR as well as the Company's website www.seabridgegold.net.

Company Overview

Seabridge Gold Inc. is a development stage company engaged in the acquisition and exploration of gold properties located in North America. The Company is designed to provide its shareholders with exceptional leverage to a rising gold price. The Company's business plan is to increase its gold ounces in the ground but not to go into production on its own. The Company intends to either sell projects or participate in joint ventures towards production with major mining companies. During the period 1999 through 2002, when the price of gold was lower than it is today, Seabridge acquired 100% interests in eight advanced-stage gold projects situated in North America. Subsequently, the Company acquired a 100% interest in the Noche Buena project in Mexico. As the price of gold has moved higher over the past number of years, Seabridge has commenced exploration activities and engineering studies at several of its projects. The Company sold the Noche Buena project for US\$25 million (\$30,842,000) in December 2008 and in 2009 has entered into agreements to sell some of its non-core projects. Seabridge's principal projects, which are located in Canada, are the Courageous Lake property located in the Northwest Territories and the KSM (Kerr-Sulphurets-Mitchell) property located in British Columbia. Seabridge's common shares trade in Canada on the Toronto Stock Exchange under the symbol "SEA" and in the United States on the NYSE Amex stock exchange under the symbol "SA".

Results of Operations

For the three month period ended June 30, 2009, the net loss was \$1,278,000 or \$0.03 per share compared to \$1,305,000 or \$0.03 per share in the same period of 2008. In the 2008 period, the loss reported was reduced by the recognition of income tax recoveries of \$156,000 compared to Nil in the 2009 period as all future income tax recoveries had been recognized. The Company's interest income from cash investments was \$145,000 down from \$169,000 in the same period of 2008 when interest rates were higher. In the 2009 period, the Company sold some of its marketable securities for a net gain of \$115,000. Corporate and general expenses were higher in the 2008 period due to stock option compensation expenses while regular compensation, investor relations and professional fees were slightly higher in the 2009 period.

For the six month period ended June 30, 2009, the net loss was \$2,275,000 or \$0.06 per share compared to \$2,211,000 or \$0.06 per share in the same period of 2008. In the 2008 period, the loss reported was reduced by the recognition of income tax recoveries of \$288,000 compared to Nil in the 2009 period as all future income tax recoveries had been recognized. The Company's interest income from cash investments was \$312,000 down from \$408,000 in the same period of 2008 when interest rates were higher. In the 2009 period, the Company sold some of its marketable securities for a net gain of \$115,000. Corporate and general expenses were higher in the 2008 period due to stock option compensation expenses while regular compensation, investor relations and professional fees were slightly higher in the 2009 period.

Quarterly Information

Selected financial information for the first two quarters of 2009 and each of the quarters for fiscal years 2008 and 2007:

			2 nd Quarter Ended June 30, 2009	1 st Quarter Ended March 31, 2009
Revenue			\$ Nil	\$ Nil
Profit (Loss) for period			\$ (1,278,000)	\$ (997,000)
Basic Profit (Loss) per share			\$ (0.03)	\$ (0.03)
Diluted Profit (Loss) per share			\$ (0.03)	\$ (0.03)

	4 th Quarter Ended December 31, 2008	3 rd Quarter Ended September 30, 2008	2 nd Quarter Ended June 30, 2008	1 st Quarter Ended March 31, 2008
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Profit (Loss) for period	\$ 13,396,000	\$ (895,000)	\$ (1,305,000)	\$ (906,000)
Basic Profit (Loss) per share	\$ 0.35	\$ (0.02)	\$ (0.03)	\$ (0.02)
Diluted Profit (Loss) per share	\$ 0.34	\$ (0.02)	\$ (0.03)	\$ (0.02)

	4 th Quarter Ended December 31, 2007	3 rd Quarter Ended September 30, 2007	2 nd Quarter Ended June 30, 2007	1 st Quarter Ended March 31, 2007
Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Profit (Loss) for period	\$ (1,336,000)	\$ (1,473,000)	\$ (1,947,000)	\$ (786,000)
Basic Profit (Loss) per share	\$ (0.04)	\$ (0.04)	\$ (0.05)	\$ (0.02)
Diluted Profit (Loss) per share	\$ (0.04)	\$ (0.04)	\$ (0.05)	\$ (0.02)

The loss in the second and third quarters of 2007 and the second quarter of 2008 were higher than other quarters due to the stock option compensation expense for the vesting of two-tiered stock options.

The significant profit for the fourth quarter of 2008 was due to the \$19.9 million gain from the sale of the Noche Buena project in Mexico net of an income tax provision of \$5.6 million.

Mineral Interest Activities

For the six-month period ended June 30, 2009, the Company incurred expenditures of \$5,521,000 on mineral interests compared to \$6,047,000 in the same period of 2008 when the Company acquired some surface rights for \$1.8 million for the Noche Buena project in Mexico. The remaining expenditures in both periods were mainly concentrated on the KSM project where drilling, engineering, environmental and metallurgical studies continued and new expanded mineral resources were announced.

The Company recently released the results of the update of the 2008 Preliminary Assessment to incorporate the new resource estimate and updated capital and operating cost estimates.

In July, the Company also reported that it had agreed to acquire an additional 8,975 hectares of mineral claims immediately adjacent to the KSM property for further exploration and possible mine infrastructure land. The terms of the agreement require the Company to pay \$1 million in cash, issue 75,000 shares and pay advance royalties of \$100,000 per year for 10 years. The property would also be subject to a 4.5% net smelter royalty.

Planned activities for the balance of 2009 at KSM include continued drilling and engineering, environmental and metallurgical studies.

Liquidity and Capital Resources

Working capital at June 30, 2009, was \$24,077,000 compared to \$30,628,000 at December 31, 2008. Cash was utilized in the six month 2009 period for operating activities in the amount of \$7,061,000 (2008 - \$1,043,000), and for mineral interests of \$6,044,000 (2008 - \$5,320,000). Included in the operating activities amount for 2009 was the payment of \$5,326,000 in Mexican income taxes due on the sale of the Noche Buena project.

The Company has announced three agreements in 2009 for the sale of mineral properties which if all completed would provide up to a further \$11.5 million in cash over the next three years. In addition, the Company would receive common shares and/or convertible debentures of the acquiring companies.

With the anticipated cash inflows as stated above, management of the Company believes the cash position is sufficient to provide for ongoing operating activities for the next three years.

During 2009, the Company plans to continue to advance its two major gold projects, KSM and Courageous Lake in order to either sell them or joint venture them towards production with major mining companies. The Company has stated in its business plan that it will not place properties into commercial production, on its own, so funds are not required for capital costs.

Shares Issued and Outstanding

At August 12, 2009, the issued and outstanding common shares of the Company totalled 37,518,685. In addition, there were 1,282,500 stock options granted and outstanding (of which 225,000 were not exercisable). On a fully diluted basis there would be 38,801,185 common shares issued and outstanding.

In addition to the 1,282,500 options outstanding, there were 525,000 options granted which are subject to certain vesting provisions which have not yet been met.

Related Party Transactions

During the six-month period ended June 30, 2009, a private company controlled by a director of the Company was paid \$7,200 (Quarter 2 - \$2,800) (2008 - \$7,100 and \$3,500) for technical services provided by his company related to mineral properties; a private company controlled by a second director was paid \$100,000 (Quarter 2 - \$50,000) (2008 - \$100,000 and \$50,000) for corporate consulting services rendered and a third director was paid \$11,200 (Quarter 2 - \$6,200) (2008 - \$8,000 and \$4,000) for geological consulting services.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Changes in Accounting Policies

The Company has adopted the following new accounting policies effective January 1, 2009 as issued by the Canadian Institute of Chartered Accountants ("CICA"):

Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064 Goodwill and Intangible Assets which is required to be adopted for fiscal years beginning on or after October 1, 2008. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to their initial recognition by profit-oriented enterprises. The Company has determined that this new standard did not have a material effect on its financial statements.

Changes in Accounting Standards Not Yet Adopted

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for public accountable companies to use IFRS, replacing Canada's own GAAP. The transition date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has begun assessing the adoption of IFRS for 2011, and the identification of the new standards and their impact on financial reporting. At this time, the Company has not determined the impact of the transition to IFRS.

Business Combinations, Consolidated Financial Statements, Non-controlling Interests

The CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling Interests and are effective for years beginning on or after January 1, 2011. These Handbook Sections replace 1581 Business Combinations and 1600 Consolidated Financial Statements which establish a new Section for accounting for non-controlling interest in a subsidiary. The Company is currently evaluating the impact of these new standards.

Financial Instruments - Disclosures

In June 2009, the CICA amended section 3862, "Financial Instruments - Disclosures", to include enhanced disclosures on liquidity risk of financial instruments and new disclosures on fair value measurements of financial instruments. The amendments are effective for annual financial statements for fiscal years ending after September 30, 2009, with early adoption permitted. The Company will apply these amendments for its 2009 annual consolidated financial statements. The impacts of the amendments to the fair value measurement and liquidity risk disclosure requirements of the Company are not expected to be significant.

August 12, 2009

SEABRIDGE GOLD INC.
Consolidated Balance Sheets
June 30, 2009 and December 31, 2008
(unaudited, 000's of Canadian dollars)

Assets	June 30, 2009	December 31, 2008
Current Assets		
Cash and cash equivalents	\$ 775	\$ 8,099
Short-term deposits	25,152	30,895
Amounts receivable and prepaid expenses	237	238
Marketable securities	689	91
	<u>26,853</u>	<u>39,323</u>
Mineral Interests (Note 3)	74,550	69,029
Reclamation Deposits	1,550	1,325
Property and Equipment	105	125
	<u>\$ 103,058</u>	<u>\$ 109,802</u>
Liabilities		
Current Liabilities		
Accounts payable and accruals	\$ 2,776	\$ 3,369
Income taxes payable	-	5,326
	<u>2,776</u>	<u>8,695</u>
Provision for Reclamation Liabilities	2,085	1,999
	<u>4,861</u>	<u>10,694</u>
Shareholders' Equity		
Share Capital (Note 4)	110,910	110,221
Stock Options (Note 4)	6,481	6,034
Contributed Surplus	126	20
Deficit	(19,337)	(17,062)
Accumulated Other Comprehensive Income (Loss)	17	(105)
	<u>98,197</u>	<u>99,108</u>
	<u>\$ 103,058</u>	<u>\$ 109,802</u>

Subsequent Events - Note 3

On Behalf of the Board of Directors

"Rudi Fronk"
Rudi P. Fronk
Director

"James Anthony"
James S. Anthony
Director

SEABRIDGE GOLD INC.**Consolidated Statements of Operations and Deficit****For the Periods Ended June 30, 2009 and 2008**

(unaudited, 000's of Canadian dollars, except income per share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Expenditures				
Corporate and general	\$ 1,521	\$ 1,611	\$ 2,697	\$ 2,921
Interest income	(145)	(169)	(312)	(408)
Gain on sale of marketable securities	(115)	-	(115)	-
Foreign exchange (gains) losses	17	19	5	(14)
Loss Before Income Taxes	1,278	1,461	2,275	2,499
Income tax recoveries	-	(156)	-	(288)
Net Loss for Period	1,278	1,305	2,275	2,211
Deficit, Beginning of Period	18,059	28,257	17,062	27,351
Deficit, End of Period	\$ 19,337	\$ 29,562	\$ 19,337	\$ 29,562
Loss per Share - basic and diluted	\$ 0.03	\$ 0.03	\$ 0.06	\$ 0.06
Weighted Average Number of Shares Outstanding	37,411,185	37,313,855	37,401,185	37,306,022

Consolidated Statements of Comprehensive Loss**For the Periods Ended June 30, 2009 and 2008**

(unaudited, 000's of Canadian dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Net Loss for Period	\$ 1,278	\$ 1,305	\$ 2,275	\$ 2,211
Other Comprehensive Loss (Income)				
Reclassification for gains and losses in net loss for period	80	-	(72)	-
Unrecognized gains and losses on financial assets	(51)	15	(50)	80
Comprehensive Loss	\$ 1,307	\$ 1,320	\$ 2,153	\$ 2,291

Consolidated Statements of Accumulated Other Comprehensive Income**For the Periods Ended June 30, 2009 and 2008**

(unaudited, 000's of Canadian dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Balance, Beginning of Period	\$ 46	\$ 6	\$ (105)	\$ (59)
Other Comprehensive Income (Loss)	(29)	15	122	80
Balance, End of Period	\$ 17	\$ 21	\$ 17	\$ 21

SEABRIDGE GOLD INC.
Consolidated Statements of Cash Flows
For the Periods Ended June 30, 2009 and 2008
(unaudited, 000's of Canadian dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Cash Provided from (Used for) Operations				
Net loss for period	\$ (1,278)	\$ (1,305)	\$ (2,275)	\$ (2,211)
Items not involving cash				
Gain on sale of marketable securities	(115)	-	(115)	-
Stock option compensation	429	776	716	1,304
Accretion	43	40	86	80
Amortization	10	10	20	19
Foreign exchange	-	-	-	-
Income tax recoveries	-	(156)	-	(288)
Changes in non-cash working capital items				
Amounts receivable and prepaid expenses	(114)	177	1	147
Accounts payable and accruals	89	168	(168)	(94)
Income taxes payable	-	-	(5,326)	-
	<u>(936)</u>	<u>(290)</u>	<u>(7,061)</u>	<u>(1,043)</u>
Investing Activities				
Mineral interests	(1,904)	(2,403)	(6,044)	(5,320)
Property and equipment	-	9	-	9
Reclamation deposits	(249)	20	(249)	20
Marketable securities increase - net	(239)	-	(239)	-
Short-term deposits	3,391	-	5,743	11,557
	<u>999</u>	<u>(2,374)</u>	<u>(789)</u>	<u>6,266</u>
Financing Activities				
Issue of share capital (Note 4)	95	364	526	368
Net Cash Provided	<u>158</u>	<u>(2,300)</u>	<u>(7,324)</u>	<u>5,591</u>
Cash and Cash Equivalents, Beginning of Period	<u>617</u>	<u>21,371</u>	<u>8,099</u>	<u>13,480</u>
Cash and Cash Equivalents, End of Period	<u>\$ 775</u>	<u>\$ 19,071</u>	<u>\$ 775</u>	<u>\$ 19,071</u>
Changes in Accounts Receivable and Liabilities in Mineral Interests				
	<u>\$ 1,886</u>	<u>\$ 1,020</u>	<u>\$ (425)</u>	<u>\$ 721</u>

Notes to the Consolidated Financial Statements
At June 30, 2009
(in Canadian dollars, except where noted)

1. Basis of Presentation

These interim consolidated financial statements of the Company do not include all the disclosures as required under Canadian generally accepted accounting principles for annual financial statements, however, the interim consolidated financial statements, except as described in Note 2, follow the same accounting policies and methods of application as the most recent annual financial statements. The interim consolidated financial statements should be read in conjunction with Seabridge's audited consolidated financial statements for the year ended December 31, 2008.

2. Changes in Accounting Policies

The Company has adopted the following new accounting policies effective January 1, 2009 as issued by the Canadian Institute of Chartered Accountants ("CICA"):

Goodwill and Intangible Assets

In February 2008, the CICA issued Handbook Section 3064 Goodwill and Intangible Assets which is required to be adopted for fiscal years beginning on or after October 1, 2008. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets subsequent to their initial recognition by profit-oriented enterprises. The Company has determined that this new standard did not have a material effect on its financial statements.

Changes in Accounting Standards Not Yet Adopted

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for public accountable companies to use IFRS, replacing Canada's own GAAP. The transition date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. The Company has begun assessing the adoption of IFRS for 2011, and the identification of the new standards and their impact on financial reporting. At this time, the Company has not determined the impact of the transition to IFRS.

Business Combinations, Consolidated Financial Statements, Non-controlling Interests

The CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling Interests and are effective for years beginning on or after January 1, 2011. These Handbook Sections replace 1581 Business Combinations and 1600 Consolidated Financial Statements which establish a new Section for accounting for non-controlling interest in a subsidiary. The Company is currently evaluating the impact of these new standards.

Financial Instruments - Disclosures

In June 2009, the CICA amended section 3862, "Financial Instruments - Disclosures", to include enhanced disclosures on liquidity risk of financial instruments and new disclosures on fair value measurements of financial instruments. The amendments are effective for annual financial statements for fiscal years ending after September 30, 2009, with early adoption permitted. The Company will apply these amendments for its 2009 annual consolidated financial statements. The impacts of the amendments to the fair value measurement and liquidity risk disclosure requirements of the Company are not expected to be significant.

3. Mineral Interests

Expenditures on projects during the six-month periods ended June 30, 2009 and 2008 were as follows (000's):

	<u>Balance, Dec. 31, 2008</u>	<u>Expenditures Quarter 1, 2009</u>	<u>Expenditures Quarter 2, 2009</u>	<u>Balance, June 30, 2009</u>
Courageous Lake	\$ 21,908	\$ 34	\$ 227	\$ 22,169
KSM	36,140	1,687	3,711	41,538
Castle Black Rock	516	-	(8)	508
Grassy Mountain	3,469	63	29	3,561
Hog Ranch	1,277	-	(567)	710
Quartz Mountain	452	-	11	463
Red Mountain	1,407	13	17	1,437
Pacific Intermountain Gold	3,448	24	263	3,735
Other Nevada projects	412	-	17	429
	<u>\$ 69,029</u>	<u>\$ 1,821</u>	<u>\$ 3,700</u>	<u>\$ 74,550</u>

	<u>Balance, Dec. 31, 2007</u>	<u>Expenditures Quarter 1, 2008</u>	<u>Expenditures Quarter 2, 2008</u>	<u>Balance, June 30, 2008</u>
Courageous Lake	\$ 21,091	\$ 76	\$ 319	\$ 21,486
KSM	25,315	535	2,685	28,535
Castle Black Rock	473	-	-	473
Grassy Mountain	3,362	47	1	3,410
Hog Ranch	1,206	1	-	1,207
Quartz Mountain	451	-	-	451
Red Mountain	1,111	74	48	1,233
Pacific Intermountain Gold	3,000	39	315	3,354
Other Nevada projects	343	-	-	343
Noche Buena, Mexico	6,316	1,851	56	8,223
	<u>\$ 62,668</u>	<u>\$ 2,623</u>	<u>\$ 3,424</u>	<u>\$ 68,715</u>

In February 2009, the Company signed a letter for an option of the Hog Ranch property to Icon Industries Ltd. (“ICON”). The terms of the agreement require ICON to issue 1 million common shares, pay \$500,000 on closing, issue a further 1 million common shares and pay a further \$525,000 within 12 months of the agreement being accepted by the TSX Venture Exchange. In April 2009, the option agreement was closed and acceptance by the TSX Venture Exchange was received. During the current quarter, ICON issued the first 1 million shares and paid the \$500,000. These amounts have been credited against mineral interest costs.

In March 2009, the Company signed a letter of intent to sell the Castle Black-Rock and its early-stage Nevada properties including the Pacific Intermountain properties to Cortez Resources Corp. a capital pool company. In April 2009, Cortez paid the Company \$20,000 which permitted them a 60-day period to complete a formal agreement which required a further payment of \$2.9 million in cash and the issuance of 10 million shares of Cortez on closing. In July 2009, the terms of the agreement were amended and the proposed closing of the transaction was changed to September 30, 2009. The agreement was amended regarding the 10 million shares of Cortez to be issued which now requires the issuance of 5 million shares of Cortez and a \$1.25 million 3 year, non-interest bearing convertible debenture. In consideration of the amendment, Cortez paid an additional US\$80,000 and agreed to fund property maintenance costs through September 30, 2009 amounting to approximately US\$410,000.

In May 2009, the Company completed an option agreement on part of the Quartz Mountain property. To earn a 50% interest in the project, the optionee must complete \$500,000 in exploration expenditures by December 31, 2010 and issue 200,000 shares to the Company over the period (50,000 shares issued). The optionee would have the right to increase its percentage holdings to 70% by funding and completing a feasibility study within three years of such election.

In June 2009, the Company signed a letter of intent to sell the Red Mountain project for \$7 million in cash and a three-year \$5 million 3% convertible debenture. In connection with this agreement, the Company would also recoup its \$1 million reclamation deposit on closing, which is expected by September 30, 2009.

In July 2009, the Company agreed to acquire approximately 8,975 hectares of minerals claims immediately adjacent to the KSM property for further exploration and possible mine infrastructure land. The terms of the agreement require the Company to pay \$1 million in cash, issue 75,000 shares and pay advance royalties of \$100,000 per year for 10 years. The property would also be subject to a 4.5% net smelter royalty.

4. Share Capital

(a) Common shares were issued during the six-month period ended June 30, 2009 as follows:

	<u>Shares</u>	<u>Amount (,000)</u>
Balance, December 31, 2008	37,348,685	\$ 110,221
For cash, exercise of stock options	62,500	526
Value of options exercised	-	163
Balance, June 30, 2009	<u>37,411,185</u>	<u>\$ 110,910</u>

(b) Stock Options

At the Annual Meeting of Shareholders held in June 2009, it was agreed that the options which may be issued under the stock option plan would be increased by 800,000. Shareholders also approved the 425,000 options granted to directors in December 2008. These options only vest when the Company enters into a significant transaction involving its interest in the Courageous Lake project or the KSM project or both, including the acquisition of a majority interest in the Company. Consequently no value has been placed on these options as the vesting provisions have not been met.

During the six-month period ended June 30, 2009, 25,000 five-year options were granted to an employee and 15,000 one-year options were granted to a consultant. The employee options vest in March 2010 and the consultant options vested immediately.

The weighted average exercise price of the 40,000 options which were granted in 2009 was \$24.44 and the fair value has been estimated using a Black Scholes option-pricing model using the following weighted average assumptions and resulted in an expense of \$469,615 of which \$259,218 was expensed during the period and the balance will be expensed over the vesting period:

Dividend yield	Nil
Expected volatility	77%
Risk free rate of return	1.63%
Expected life of options	3.5 years

A summary of the status of the plan at June 30, 2009 and changes during the period are presented below:

	Shares	Amount
Outstanding, December 31, 2008	1,427,500	\$ 6,034,000
Granted	40,000	259,000
Exercised	(62,500)	(162,000)
Expired	(15,000)	(107,000)
Value of prior years options vested	-	457,000
Outstanding, June 30, 2009	1,390,000	\$ 6,481,000

5. Related Party Transactions

During the six-month period ended June 30, 2009, a private company controlled by a director of the Company was paid \$7,200 (Quarter 2 - \$2,800) (2008 - \$7,100 and \$3,500) for technical services provided by his company related to mineral properties; a private company controlled by a second director was paid \$100,000 (Quarter 2 - \$50,000) (2008 - \$100,000 and \$50,000) for corporate consulting services rendered and a third director was paid \$11,200 (Quarter 2 - \$6,200) (2008 - \$8,000 and \$4,000) for geological consulting services.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.