

SEABRIDGE GOLD INC.

INTERIM REPORT TO SHAREHOLDERS

AND

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND NINE MONTHS

ENDED SEPTEMBER 30, 2009

MANAGEMENT'S COMMENTS ON UNAUDITED FINANCIAL STATEMENTS

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

Report to Shareholders

Quarter Ended September 30, 2009

Recent Highlights

- New drill results likely to upgrade in-pit resources at KSM
- Improved economics at KSM due to higher gold, copper and silver prices
- Land position expanded at KSM

2009 KSM Drill Program

The key objective of the 2009 drill program at the KSM project was to upgrade the remaining in-pit inferred mineral resources to the measured and indicated categories. **Based on the results from this year's program, we are highly confident that we have upgraded the inferred resources in all three of the proposed pits.** We have also expanded the resource and improved the ore to waste ratio by discovering new zones and expanding the predicted width of the mineralization. Our next steps are to complete a new KSM resource estimate by year end, followed by new mine plans and culminating in a Preliminary Feasibility Study in March 2010. At that point we will have successfully converted mineral resources to mine reserves.

The 30 year mine plans contained in the 2009 Preliminary Assessment captured 1.29 billion tonnes of mineralized material of which 277 million tonnes were classified as inferred mineral resources. To upgrade these in-pit inferred resources to the measured and indicated categories, additional drilling was completed during the 2009 program at the Mitchell, Sulphurets and Kerr zones. Conversion of in-pit inferred resources will enable Seabridge to report a mine reserve in its Preliminary Feasibility Study scheduled for completion in March 2010.

At the Mitchell zone, the mine plan captured 853 million tonnes in the measured and indicated categories (grading 0.67grams per tonne gold and 0.18% copper) plus 175 million tonnes in the inferred category (grading 0.47 gpt gold and 0.08% copper). Twelve infill holes totaling 4,000 meters were drilled this summer along the margins of the deposit, where lower grades were expected, to upgrade remaining in-pit inferred resources. In addition, seven geotechnical holes totaling 3,500 meters were drilled at Mitchell to provide information for pit slope determination. The 12 infill holes encountered mineralization with intersection widths and grades consistent with the resource block model.

At the Sulphurets zone, the mine plan captured 90 million tonnes in the indicated category (grading 0.68 grams per tonne gold and 0.24% copper) plus 84 million tonnes in the inferred category (grading 0.63 gpt gold and 0.19% copper). Seven holes totaling 3,100 meters were drilled this summer to upgrade the in-pit inferred resources in the Sulphurets zone. Several of the intersections yielded higher grades and wider intersections than predicted by the resource block model. Five of the holes ended in ore grade mineralization. In addition, many of the holes intersected the Main Copper zone, a low-grade mineralized zone lying above the Sulphurets thrust fault.

At the Kerr zone, the mine plan captured 148 million tonnes in the indicated category (grading 0.25 grams per tonne gold and 0.47% copper) plus 18 million tonnes in the inferred category (grading 0.23 gpt gold and 0.43% copper). Four holes totaling approximately 900 meters were drilled this summer to upgrade the in-pit inferred resources in the Kerr zone. All four holes yielded results consistent with the resource block model. In addition, one of the holes discovered a new area of mineralization which has the potential to convert material previously classifies as waste to ore.

The balance of the 2009 drill program consisted of geotechnical and environmental holes also required for the KSM Preliminary Feasibility Study. Approximately 4,200 meters were drilled to finalize pit slopes for the Mitchell zone and foundation analysis for the planned waste dumps, crushing facilities and other project infrastructure. In addition, approximately 1,800 meters of drilling was related to the installation of monitoring wells associated with ongoing environmental base line studies and project permitting.

KSM Economics Continuing to Improve

The 2009 KSM Preliminary Assessment provided economic projections incorporating spot metal prices and currency exchange rates at the time of the study (around June 30, 2009). Since that time, gold, copper and silver prices have improved while the U.S. dollar has weakened against the Canadian dollar. In order to provide our shareholders with the impact of varying commodity prices and currency exchange rates on the KSM project, the following table provides economic

projections using recent prices (end of October 2009) compared to the spot case of the 30 year mine life in the 2009 Preliminary Assessment:

	Previous Spot Metal Prices	Recent Spot Metal Prices
Net Cash Flow (US\$)	\$11.7 billion	\$15.5 billion
NPV @ 5% (US\$)	\$3.7 billion	\$5.3 billion
IRR (%)	13.6	16.7
Payback Period (years)	5.8	4.6
Life of Mine Operating Costs Per Ounce of Gold Produced (US\$)	114	22
Total Costs (including all capital) Per Ounce of Gold Produced (US\$)	343	249
Metal Prices:		
Gold (US\$/ounce)	950	1050
Copper (US\$/pound)	2.50	2.90
Silver (US\$/ounce)	14.00	16.50
Molybdenum (US\$/pound)	15.00	15.00
US\$/Cdn\$ Exchange Rate	0.90	0.92

Note: Operating and total costs per ounce of gold are after base metal credits

The projected economics demonstrate 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. The following table provides third quarter cash operating costs reported by some of the world's largest gold mining companies:

	Third Quarter 2009 Gold Production (ounces in 000's)	Cash Operating Costs per Ounce (US\$)
Barrick Gold	1,900	371
Newmont Mining	1,330	404
Anglogold Ashanti	1,187	534
Gold Fields	906	586
Goldcorp	621	295
Kinross Gold	537	421
Newcrest Mining	377	A436*
Yamana Gold	262	79
Agnico Eagle Mines	119	449

Note: Reported cash operating costs per ounce are after base metal credits except for Newmont, Anglo-Ashanti and Gold Fields.

*Reports in Australian dollars

Expansion of KSM Property Position

In September, Seabridge completed the acquisition of 22 mineral claims totaling 8,975 hectares (approximately 22,160 acres) immediately adjacent to the KSM project from Max Minerals Ltd. At closing, Seabridge paid Max \$1.0 million in cash, issued Max 75,000 common shares of Seabridge and granted Max a 2.5% net smelter royalty on the claims purchased. The purchased claims significantly increase Seabridge's land position, 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 had 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. In October, BonTerra informed us that they were not in a position to raise the funds necessary to complete the Red Mountain purchase. Seabridge is now exploring other options for the sale of its interest in the Red Mountain project. Closing of the Cortez agreement, now scheduled for the end of November, is subject to Cortez obtaining financing to complete the transaction

The Gold Market

In the past quarter, gold has performed unusually well in all major currencies, suggesting that a shift has taken place in investor sentiment. We believe the shift reflects the growing fact of inflation, not the kind that can be measured on the supermarket shelves [yet] but rather the inflation of money supply and liquidity that depreciates the perceived future value of fiat money... in other words, currency debasement.

For most of this year, the threat of systemic collapse has been receding while inflation has been perceived as a far-in-the-future problem. This view has favored equities and corporate debt which have performed admirably for most of the year. We have been pleasantly surprised that gold has held up so well when paper assets have strengthened markedly. Equities in particular have been supported by the consensus view that a mildly deflationary environment will ensure that central banks continue to pursue a loose policy of low interest rates and increasing liquidity with no threat of rising price inflation to worry about.

But holes are now appearing in the moderate deflationary hypothesis. Deflationists ranging from the Federal Reserve to Nouriel Roubini and Paul Krugman argue that the output gap (underutilized capacity in the form of the unemployed and idled factories) depresses prices and is therefore deflationary. As we have noted in past commentaries, the output gap is an elegant theory without supporting facts – there is no correlation between inflation and capacity utilization. Try telling Icelanders that they are not experiencing 11% price inflation while their GDP has declined by 8.5%. The issue is money supply, which does correlate with inflation, albeit with a lag. Deflationists also argue that commercial banks are sitting on huge excess reserves while also reducing their lending... a deflationary development because it reduces the money supply by reversing the banks' traditional money multiplier effect. This is a sound argument except for the fact that the world is currently awash in cheap liquidity which is funding huge trading volumes and overt speculation in many asset classes. In our view, the role of commercial bank lending in money creation is no longer as significant as it once was.

Where is all this inflationary liquidity coming from? First, from central bank reserves which now stand at an astounding US\$7.3 trillion and growing at an annual rate of 24%. About 62.8% of the total is held in US dollar securities with the remainder in euros, yen and gold. At one time, these reserves rarely left the vault but now they are being mobilized to fund stimulus programs and investments by sovereign wealth funds. Central banks have become net purchasers of gold, reversing a trend that goes back to 1968, to protect their reserves from fiat currency debasement. Recently, India and Sri Lanka have joined China and Russia as purchasers of gold.

A second source of liquidity is international institutions such as the IMF, newly funded via issuance of Special Drawing Rights totaling US\$500 billion to bail out nations facing financial crises. These funds are working their way into the system.

A third source of liquidity is direct monetization of assets by central banks (known as quantitative easing), a policy which bypasses the commercial banking system and injects cash directly into the economy via government spending (if the assets purchased are Treasuries) or into the hands of private holders. In the US, these injections will soon total US\$1.75 trillion.

A fourth source of liquidity is the purchase of Treasuries by commercial banks using the excess reserves provided to them by the central banks. This is quantitative easing by another path (QEII). In the US, bank holdings of government securities increased at a 16.2% rate in the second quarter to US\$941 billion, the fastest growth in nearly ten years.

Finally, Treasury issuances worldwide have increased dramatically. Treasuries have nearly as much 'moneyness' as cash—they are widely accepted, generally very liquid and highly rated by credit agencies. In the past twelve months, the US Treasury has printed US\$1.9 trillion in new liabilities which are being used by investors to lever other investments. If this amount was backed by savings, it would not be a problem. But printing government liabilities in excess of savings, which nearly every major government is now doing, is the essence of inflationary debasement. The new debt is used to cover public expenses and to fund consumption, not invested in productive enterprise that could generate repayment.

Not surprisingly, the latest data from the St. Louis Federal Reserve suggests that the velocity of money is now turning up.

For those who believe in paper currencies, perhaps the most troubling development is the growing use of the US dollar as the primary funding currency for the carry trade. Dollars are being borrowed and shorted to provide funds for the purchase of higher yielding investments in other currencies. There are many good reasons why the US dollar has been chosen including the Federal Reserve's promise to maintain exceptionally low interest rates for an extended period, growing fiscal deficits, slower economic growth and a Congress that seems willing to intervene in the private sector without limits and without warning. Carry trade funding increases the size of the pool of dollars available for transactions— another source of cheap liquidity. But when the carry trade funding currency is also the world's reserve currency, special problems arise. The dollar is used as settlement for international trade and for the pricing of commodities. Excess dollar balances have to be absorbed and the dollar has to be supported by other central banks who must print their own currency to buy the dollar and relieve the upward pressure on their own currencies. The result is greater monetary inflation and increasing instability in foreign exchange markets. No major nation appears to want a strengthening currency.

All of these factors lie behind the increasing attractiveness of gold. The global money supply probably totals US\$30 trillion and it is growing rapidly. The world stock market has a current value of around US\$40 trillion while the bond market is north of US\$80 trillion and also growing rapidly. Against this, we have a global gold supply that is today valued at approximately US\$5 trillion. Where do you think your savings are safest? Investors are increasingly answering that question by reaching for gold. In our view, the gold price has much higher to go.

Financial Results

During the three month period ended September 30, 2009 Seabridge posted a net loss of \$1,135,000 (\$0.03 per share) compared to a loss of \$895,000 (\$0.02 per share) for the same period last year. During the third quarter, Seabridge invested \$11,222,000 in mineral interests, primarily at KSM, compared to \$6,960,000 during the same period last year. At September 30, 2009, net working capital was \$12,911,000 compared to \$30,628,000 at December 31, 2008.

On Behalf of the Board of Directors,



Rudi P. Fronk
President and Chief Executive Officer
Toronto, Canada
November 11, 2009

Management's Discussion and Analysis

Three Months and Nine Months Ended September 30, 2009

This Management's Discussion and Analysis is dated November 11, 2009 and reflects the three month and nine month periods ended September 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 filed an Annual Information Form and an Annual Report on Form 20-F 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 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 September 30, 2009, the net loss was \$1,135,000 or \$0.03 per share compared to \$895,000 or \$0.02 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 \$182,000 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 \$113,000 down from \$122,000 in the same period of 2008 when interest rates were higher. Corporate and general expenses were slightly higher in the 2008 period due to the TSX listing fee, when the Company moved from the TSX Venture Exchange, while compensation and professional fees were slightly higher in the 2009 period.

For the nine month period ended September 30, 2009, the net loss was \$3,410,000 or \$0.09 per share compared to \$3,106,000 or \$0.08 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 \$470,000 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 \$425,000 down from \$530,000 in the same period of 2008 when interest rates were higher and more cash was invested. In the 2009 period, the Company sold some of its marketable securities for a net gain of \$82,000. 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 three quarters of 2009 and each of the quarters for fiscal years 2008 and 2007:

	3 rd Quarter Ended September 30, 2009	2 nd Quarter Ended June 30, 2009	1 st Quarter Ended March 31, 2009
Revenue	\$ Nil	\$ Nil	\$ Nil
Profit (Loss) for period	\$ (1,135,000)	\$ (1,278,000)	\$ (997,000)
Basic Profit (Loss) per share	\$ (0.03)	\$ (0.03)	\$ (0.03)
Diluted Profit (Loss) per share	\$ (0.03)	\$ (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 nine-month period ended September 30, 2009, the Company incurred expenditures of \$18,971,000 on mineral interests compared to \$12,980,000 in the same period of 2008. In 2009, expenditures were mainly made on the KSM project amounting to \$18,465,000 (2008 - \$9,427,000) which included \$3,443,000 for the purchase of 8,975 hectares of additional adjacent mineral claims. The terms of the purchase agreement required the Company to pay \$1 million in cash, issue 75,000 shares (with a deemed value of \$2,443,000) and pay advance royalties of \$100,000 per year for 10 years. The property is also subject to a 4.5% net smelter royalty. The balance of KSM expenditures in both periods were mainly for continued drilling, engineering, environmental and metallurgical studies.

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

Planned activities for the balance of 2009 at KSM include continued drilling and engineering, environmental and metallurgical studies. The Company plans to complete a preliminary feasibility study on KSM by the end of March 2010.

Liquidity and Capital Resources

Working capital at September 30, 2009, was \$12,911,000 compared to \$30,628,000 at December 31, 2008. Cash was utilized in the nine month 2009 period for operating activities in the amount of \$8,146,000 (2008 - \$2,010,000), and for mineral interests of \$17,266,000 (2008 - \$12,280,000). 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 two agreements in 2009 for the sale of mineral properties, which if completed will provide up to a further \$3.6 million in cash over the next six months, as well as, common shares and/or convertible debentures of the acquiring companies.

The Noche Buena project was sold in December 2008 for US\$25 million in cash, a US\$5 million payment on commencement of commercial production plus a 1.5% net smelter royalty on gold sales at US\$800 per ounce or greater. The Company is considering possible opportunities to monetize that asset as the project gets nearer to a production decision by the new owners.

Combined with its current cash and short-term deposits, the anticipated cash flows allow the Company sufficient funds to provide for anticipated operating activities for the next two years.

The Company continues to advance its two major gold projects, KSM and Courageous Lake in order to either sell them or joint venture them 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 November 11, 2009, the issued and outstanding common shares of the Company totalled 37,598,685. In addition, there were 1,797,500 stock options granted and outstanding (of which 740,000 were not exercisable). On a fully diluted basis there would be 39,396,185 common shares issued and outstanding.

Related Party Transactions

During the nine-month period ended September 30, 2009, a private company controlled by a director of the Company was paid \$28,000 (Quarter 3 - \$20,800) (2008 - \$10,700 and \$3,600) for technical services provided by his company related to mineral properties; a private company controlled by a second director was paid \$150,000 (Quarter 3 - \$50,000) (2008 - \$150,000 and \$50,000) for corporate consulting services rendered and a third director was paid \$14,000 (Quarter 3 - \$2,800) (2008 - \$12,000 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.

Internal Controls Over Financial Reporting (“ICFR”)

There was no change in the Company’s ICFR that occurred during the period beginning on July 1, 2009 and ending on September 30, 2009 that has materially affected, or is reasonably likely to materially affect, the Company’s ICFR.

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 adoption of this new standard did not have a material effect on the financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On January 20, 2009, the Canadian Accounting Standards Board (“AcSB”) issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities which was adopted retroactively, without restatement. This EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. The adoption of EIC-173 did not have a material effect on the financial statements.

Mining Exploration Costs

On March 27, 2009, the AcSB issued EIC-174, Mining Exploration Costs which provides guidance to mining enterprises related to the measurement of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC-174 have been applied in the preparation of the financial statements and did not have an impact on the valuation of the Company’s mineral properties.

Changes in Accounting Standards Not Yet Adopted

International Financial Reporting Standards (“IFRS”)

In 2006, the 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 would be 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. Management has analyzed existing financial reporting, prepared a preliminary assessment of the potential impact the new standards will have on the Company and developed a changeover plan. The Company believes that impairment of assets, foreign exchange, exploration costs, asset retirement obligations, stock-based compensation and income taxes will impact the statements, but has not yet determined the full financial impact of the transition to IFRS. In addition, the Company

anticipates a significant increase in disclosure requirements under IFRS and such requirements are also being evaluated along with the necessary system changes required to gather, process and review such disclosure.

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 all of which are effective for years beginning on or after January 1, 2011. These Handbook Sections replace 1581 Business Combinations and 1600 Consolidated Financial Statements and establish a new Section for accounting for non-controlling interest in subsidiaries. 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, and the Company will apply them in its 2009 annual consolidated financial statements. The impacts of the amendments are not expected to be significant.

November 11, 2009

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

Assets	September 30, 2009	December 31, 2008
Current Assets		
Cash and cash equivalents	\$ 329	\$ 8,099
Short-term deposits	13,731	30,895
Amounts receivable and prepaid expenses	589	238
Marketable securities	726	91
	<u>15,375</u>	<u>39,323</u>
Mineral Interests (Note 3)	88,000	69,029
Reclamation Deposits	1,551	1,325
Property and Equipment	95	125
	<u>\$ 105,021</u>	<u>\$ 109,802</u>
 Liabilities		
Current Liabilities		
Accounts payable and accruals	\$ 2,464	\$ 3,369
Income taxes payable	-	5,326
	<u>2,464</u>	<u>8,695</u>
Provision for Reclamation Liabilities	2,128	1,999
	<u>4,592</u>	<u>10,694</u>
 Shareholders' Equity		
Share Capital (Note 4)	114,027	110,221
Stock Options (Note 4)	6,661	6,034
Contributed Surplus	126	20
Deficit	(20,472)	(17,062)
Accumulated Other Comprehensive Income (Loss)	87	(105)
	<u>100,429</u>	<u>99,108</u>
	<u>\$ 105,021</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 September 30, 2009 and 2008**

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

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2009	2008	2009	2008
Expenditures				
Corporate and general	\$ 1,205	\$ 1,225	\$ 3,902	\$ 4,146
Interest income	(113)	(122)	(425)	(530)
Gain on sale of marketable securities	-	-	(164)	-
Write-down of marketable securities	33		82	
Foreign exchange (gains) losses	10	(26)	15	(40)
Loss Before Income Taxes	1,135	1,077	3,410	3,576
Income tax recoveries	-	(182)	-	(470)
Net Loss for Period	1,135	895	3,410	3,106
Deficit, Beginning of Period	19,337	29,562	17,062	27,351
Deficit, End of Period	\$ 20,472	\$ 30,457	\$ 20,472	\$ 30,457
Loss per Share - basic and diluted	\$ 0.03	\$ 0.02	\$ 0.09	\$ 0.08
Weighted Average Number of Shares Outstanding	37,542,852	37,348,018	37,446,741	37,307,399

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

(unaudited, 000's of Canadian dollars)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2009	2008	2009	2008
Net Loss for Period	\$ 1,135	\$ 895	\$ 3,410	\$ 3,106
Other Comprehensive Loss (Income)				
Reclassification for losses in net loss for period	33	-	82	-
Unrecognized gains and losses on financial assets	(103)	66	(274)	146
Comprehensive Loss	\$ 1,065	\$ 961	\$ 3,218	\$ 3,252

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

(unaudited, 000's of Canadian dollars)

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2009	2008	2009	2008
Balance, Beginning of Period	\$ 17	\$ (21)	\$ (105)	\$ 59
Other Comprehensive Income (Loss)	70	(66)	192	(146)
Balance, End of Period	\$ 87	\$ (87)	\$ 87	\$ (87)

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

	Three Months Ended Sept. 30,		Nine Months Ended Sept. 30,	
	2009	2008	2009	2008
Cash Provided from (Used for) Operations				
Net loss for period	\$ (1,135)	\$ (895)	\$ (3,410)	\$ (3,106)
Items not involving cash				
Gain on sale of marketable securities	-	-	(164)	-
Write-down of marketable securities	33	-	82	-
Stock option compensation	414	357	1,130	1,661
Accretion	43	40	129	120
Amortization	10	9	30	28
Foreign exchange	-	-	-	-
Income tax recoveries	-	(182)	-	(470)
Changes in non-cash working capital items				
Amounts receivable and prepaid expenses	(352)	(194)	(351)	(47)
Accounts payable and accruals	(98)	(102)	(266)	(196)
Income taxes payable	-	-	(5,326)	-
	<u>(1,085)</u>	<u>(967)</u>	<u>(8,146)</u>	<u>(2,010)</u>
Investing Activities				
Mineral interests	(11,222)	(6,960)	(17,266)	(12,280)
Property and equipment	-	-	-	9
Reclamation deposits	-	-	(249)	20
Marketable securities increase - net	-	-	(239)	-
Short-term deposits	11,421	-	17,164	11,557
	<u>199</u>	<u>(6,960)</u>	<u>(590)</u>	<u>(694)</u>
Financing Activities				
Issue of share capital (Note 4)	440	16	966	384
Net Cash Provided	<u>(446)</u>	<u>(7,911)</u>	<u>(7,770)</u>	<u>(2,320)</u>
Cash and Cash Equivalents, Beginning of Period	775	19,071	8,099	13,480
Cash and Cash Equivalents, End of Period	<u>\$ 329</u>	<u>\$ 11,160</u>	<u>\$ 329</u>	<u>\$ 11,160</u>
Changes in Accounts Receivable and Liabilities in Mineral Interests				
	<u>\$ (214)</u>	<u>\$ (30)</u>	<u>\$ (639)</u>	<u>\$ 691</u>

Notes to the Consolidated Financial Statements

At September 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 adoption of this new standard did not have a material effect on the financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On January 20, 2009, the Canadian Accounting Standards Board ("AcSB") issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities which was adopted retroactively, without restatement. This EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. The adoption of EIC-173 did not have a material effect on the financial statements.

Mining Exploration Costs

On March 27, 2009, the AcSB issued EIC-174, Mining Exploration Costs which provides guidance to mining enterprises related to the measurement of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The accounting treatments provided in EIC-174 have been applied in the preparation of the financial statements and did not have an impact on the valuation of the Company's mineral properties.

Changes in Accounting Standards Not Yet Adopted

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 all of which are effective for years beginning on or after January 1, 2011. These Handbook Sections replace 1581 Business Combinations and 1600 Consolidated Financial Statements and establish a new Section for accounting for non-controlling interest in subsidiaries. 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, and the Company will apply them in its 2009 annual consolidated financial statements. The impacts of the amendments are not expected to be significant.

3. Mineral Interests

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

	Balance, Dec. 31, 2008	Expenditures Quarter 1, 2009	Expenditures Quarter 2, 2009	Expenditures Quarter 3, 2009	Balance, Sept. 30, 2009
Courageous Lake	\$ 21,908	\$ 34	\$ 227	\$ 204	\$ 22,373
KSM	36,140	1,687	3,711	13,067	54,605
Castle Black Rock	516	-	(8)	(57)	451
Grassy Mountain	3,469	63	29	42	3,603
Hog Ranch	1,277	-	(567)	4	714
Quartz Mountain	452	-	11	4	467
Red Mountain	1,407	13	17	56	1,493
Pacific Intermountain Gold	3,448	24	263	76	3,811
Other Nevada projects	412	-	17	54	483
	<u>\$ 69,029</u>	<u>\$ 1,821</u>	<u>\$ 3,700</u>	<u>\$ 13,450</u>	<u>\$ 80,000</u>

	Balance, Dec. 31, 2007	Expenditures Quarter 1, 2008	Expenditures Quarter 2, 2008	Expenditures Quarter 3, 2008	Balance, Sept. 30, 2008
Courageous Lake	\$ 21,091	\$ 76	\$ 319	\$ 398	\$ 21,884
KSM	25,315	535	2,685	6,209	34,744
Castle Black Rock	473	-	-	43	516
Grassy Mountain	3,362	47	1	57	3,467
Hog Ranch	1,206	1	-	32	1,239
Quartz Mountain	451	-	-	-	451
Red Mountain	1,111	74	48	110	1,343
Pacific Intermountain Gold	3,000	39	315	(11)	3,343
Other Nevada projects	343	-	-	69	412
Noche Buena, Mexico (note)	6,316	1,851	56	26	8,249
	<u>\$ 62,668</u>	<u>\$ 2,623</u>	<u>\$ 3,424</u>	<u>\$ 6,933</u>	<u>\$ 75,648</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 one million common shares to the Company, pay \$500,000 on closing and to issue a further one 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. ICON issued the first one million shares and paid the \$500,000 and 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 US\$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 and subsequently to November 27, 2009. The revised agreement terms require the following on closing: payment of US\$2.9 million in cash, issuance of 5 million shares of Cortez, and issuance of a \$1.25 million 3 year, non-interest bearing convertible debenture. In addition, as consideration for the amendments, Cortez paid an additional US\$80,000 and agreed to fund property maintenance costs through November 27, 2009 of approximately US\$500,000 if the agreement closes.

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 of which 50,000 shares have been issued to date. The optionee has the right to increase its percentage holdings to 70% by funding and completing a feasibility study within three years.

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 was expected by September 30, 2009 and was subsequently amended to October 31, 2009. In October 2009, the agreement was cancelled as the proposed purchaser was unable to raise the required funds.

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 use. 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 commencing on closing of the agreement. The property is subject to a 4.5% net smelter royalty from which the advance royalties are deductible. The purchase agreement closed in September 2009, with the payment of \$1 million in cash, the issuance of 75,000 shares valued at \$2,442,750 and the payment of the first year's \$100,000 advance royalty.

4. Share Capital

(a) Common shares were issued during the nine-month period ended September 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	175,000	966
Purchase of mineral claims (see Note 3)	75,000	2,443
Value of options exercised	-	397
Balance, September 30, 2009	<u>37,598,685</u>	<u>\$ 114,027</u>

(b) Stock Options

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

During the nine-month period ended September 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 per option and the fair value has been estimated using a Black Scholes option-pricing model with the following weighted average assumptions:

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

As a result, an expense of \$469,615 was incurred of which \$337,903 was expensed during the period with the balance to be expensed over the vesting period.

In September 2008, 10,000 one year options were granted to a consultant of which 5,000 vested in September 2009 as the services which were required had been completed and the remaining 5,000 expired.

The weighted average exercise price of the 5,000 options was \$14.65 per option and the fair value was estimated using a Black Scholes option-pricing model with the following weighted average assumptions:

Dividend yield	Nil
Expected volatility	83%
Risk free rate of return	1.3%
Expected life of options	½ month

The vesting resulted in an expense of \$87,980.

A summary of the options outstanding at September 30, 2009 and changes during the period are presented below:

	<u>Shares</u>	<u>Amount</u>
Outstanding, December 31, 2008	1,952,500	\$ 6,034,000
Granted	40,000	426,000
Exercised	(175,000)	(397,000)
Expired	(20,000)	(107,000)
Value of prior years options vested	-	705,000
Outstanding, September 30, 2009	<u>1,797,500</u>	<u>\$ 6,661,000</u>

5. Related Party Transactions

During the nine-month period ended September 30, 2009, a private company controlled by a director of the Company was paid \$28,000 (Quarter 3 - \$20,800) (2008 - \$10,700 and \$3,600) for technical services provided by his company related to mineral properties; a private company controlled by a second director was paid \$150,000 (Quarter 3 - \$50,000) (2008 - \$150,000 and \$50,000) for corporate consulting services rendered and a third director was paid \$14,000 (Quarter 3 - \$2,800) (2008 - \$12,000 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.