

# Seabridge Gold Inc.

## News Release

FOR IMMEDIATE RELEASE

Trading Symbol: TSX-V:SEA

September 23, 2003

### **Seabridge Completes Independent Engineering Study on Red Mountain Gold Project** *Report's Preliminary Projections - 8 Year Mine Life with Average Cash Operating Cost at US\$213 Per Ounce*

**Toronto, Canada** ... Steffen Robertson and Kirsten (Canada) Inc. ("SRK") has completed an Engineering Study dated August, 2003 on Seabridge's 100% owned Red Mountain underground gold project located 18km east of the town of Stewart, B.C. The objectives of the study were to build on previous project work to identify the best project development approach, and to assess the current economics of the project. Further on-site work is in progress to assess alternate tailings disposal options which could reduce capital costs and improve project economics.

#### **Background**

Between 1991 and 1994, previous owner Lac Minerals delineated a sizeable gold-silver resource through diamond drilling and subsequently drove a 1700m decline to facilitate drilling, and to obtain a bulk sample. The project was sold to Royal Oak Mines in 1995, and in the following year the underground development was extended by 305m and additional surface and underground drill programs were completed. In 1994, a feasibility study was partially completed by Rescan Engineering Limited for Lac Minerals. In 2001, previous owner North American Metals Corp. ("NAMC") estimated the mineral resources and undertook limited engineering studies of project development alternatives. Seabridge acquired the Red Mountain Project from NAMC in February 2002.

Prior to completing the acquisition of Red Mountain, Seabridge commissioned D. L. Craig, P. Geol. to perform an independent technical review of the resource model dated May, 2001, and in the process, satisfied the requirements under National Instrument 43-101 for public disclosure. Gold resources at Red Mountain at a zero cut-off grade are estimated as follows:

Measured			Indicated			Inferred		
Tonnes (000's)	Grade (g/T)	Ounces (000's)	Tonnes (000's)	Grade (g/T)	Ounces (000's)	Tonnes (000's)	Grade (g/T)	Ounces (000's)
1,257	8.01	324	337	7.04	76	346	7.45	83

SRK reviewed previous studies and evaluated the development alternatives relating to various aspects of the project. The best development alternatives are:

- Road access to the site. A road was designed by NAMC in 2001 to access the project site.
- A seasonal operation from May to October was selected in favor of year-round operations on the basis of safety and reliability.
- An on-site mill using a grinding and cyanidation leaching (CIP) circuit was selected. The alternative of using flotation to produce a sulphide concentrate for offshore marketing was discarded on the basis of poor economics caused by lower overall gold recovery and smelting costs.
- A conventional type of mill was selected instead of a portable type due to the tonnage required (1000tpd) and the very fine grind needed.

- The full use of backfill was selected to optimize the mining recovery of the resources. Minimizing backfill was considered to reduce costs, but the possible savings are not enough to justify the lower mining recovery that results.

Based on an initial review of the project economics, SRK utilized a cutoff grade of 6g/t Au (based on a gold price of US\$375/oz) to delineate contiguous zones of mineralization to assess various mining and processing scenarios as part of the Engineering study.

SRK decided to include inferred resources in the study because of their high degree of confidence that additional drilling will upgrade this material to the indicated category. Resources above the 6 g/t Au cut off grade in all categories (measured, indicated and inferred) total 1,216.6kt at grades of 9.14g/t gold and 28.7g/t silver.

Tonnes available for extraction shown in the following table were estimated by a resource conversion process that applied dilution and mining recoveries to the individual deposits comprising the resources above the 6.0 g/t cutoff grade. The parameters were based on preliminary mining designs for different areas of the deposit that included both longhole, and cut-and-fill mining methods.

<b>Resources Used in SRK Study -- All Categories of Resources (000's)</b>			
	<b>Tonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>
<b>Mineral Resources (All Categories &gt; 0 g/t Au)</b>	<b>1,941.2</b>	<b>7.74</b>	<b>26.2</b>
<b>Mineral Resources (All Categories &gt; 6 g/t Au)</b>	<b>1,216.6</b>	<b>9.14</b>	<b>28.7</b>
Mining Recovery	89%		
Recovered Tonnes	1,081.2	9.13	28.9
Dilution Percent	14%		
Dilution Tonnes	180.7	0.55	n/a
<b>Tonnes</b>	<b>1,261.9</b>	<b>7.90</b>	<b>24.7</b>

### **Project Development Description**

The 1000tpd trackless underground mine, assumed to be owner operated, would be accessed through the existing exploration decline and a new portal at 1650m elevation. Production tonnes by mining method are planned at 65% longhole, 29% cut and fill, and 6% development muck. Longhole stope tonnes vary from 18 to 35kt. Backfill would consist of both cemented and unconsolidated waste rock, and no development waste rock would remain on surface at project completion. Mucking to a main muck pass would be accomplished by 6yd and 4yd scoops. An underground rock breaker would size the muck to be hauled out of the mine in 20t trucks.

A 1000tpd gold-silver recovery mill would reclaim feed from a run-of-mine stockpile. The mill process would include a normal two-stage SAG/Ball mill grinding circuit with high capacity thickening, cyanide leaching, carbon-in-pulp adsorption, carbon elution and regeneration, electro-winning and refining, and cyanide destruction with SO<sub>2</sub> and air. Metallurgical recoveries are estimated at 90% for gold and 80% silver.

Mill tailings would be discarded to an earth and rock constructed tailings dam (with water reclaim facilities) near the mill. The tailings facility, proposed to be located in the Red Mountain cirque, follows the design used in the 1994 feasibility study. It is the recommendation of SRK that a further study be undertaken by Seabridge to assess alternative tailings facility locations and designs which could materially reduce the capital cost of the tailings storage facility.

The project schedule has the new access road opened up for traffic by the end of the first operating season (mid-May through October). The pre-production period extends through seasons 2 and 3 with mill construction, tailings dam construction, and development of the underground mine. Eight seasons of production (157.5kt/a) follow in seasons 4 to 11. Mine closure is planned for season 12.

### **Project Costs**

Estimated site operating costs are at Cdn\$68.46 per tonne. Due to the seasonal nature of the project, SRK envisions that it may be difficult for the owner to fully supply all manpower each spring through an annual hiring campaign. For this reason, a labour premium of approximately 14% was added to the operating costs, such that some funds would be available to utilize contractor supplied labour as necessary.

Total capital costs are estimated at Cdn\$61.8 million, exclusive of off-site owner's costs and working capital. The pre-production portion of capital is \$60.3million. Included in this estimate is \$9.2 million for the tailings dam. As indicated above, SRK believes that further work should be performed on assessing alternate tailings dam locations and designs which could result in a material decrease in the capital cost of the tailings facility.

### **Preliminary Economic Projections**

The term "base case" refers to the project as described in this study. It represents SRK's best preliminary estimate of gold production, and capital and operating costs. The gold price assumption in the model was varied to determine the "break even" gold price for the project. At a 5% discount rate, the base case model indicates a break even project is achieved at a gold price of US\$399/oz.

Under SRK's base case analysis, life of mine cash operating costs average US\$213 per ounce and total costs, inclusive of capital, average US\$358 per ounce.

Sensitivity analyses were also run for these two scenarios; firstly a 50% increase in mineable tonnage, and secondly cost reductions of 15% for both capital and operating costs. At a 5% discount rate, the break even gold price was reduced from US\$399/oz to US\$350 and US\$338 respectively. In its report, SRK has deemed the exploration potential at the project to be "excellent".

The calculations taken from the SRK Report use the "All Categories" resource estimate set out in the table above, which includes inferred resources. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The foregoing economic projections are preliminary in nature, they include inferred resources that are too speculative geologically (without additional work) to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that these estimates and assumptions will be realized.

### **Risks and Opportunities**

The main risks associated with the project are related to:

- The construction and operation of the mine access road, which must traverse rugged mountainous terrain.
- A lack of continuity in the workforce due to the seasonal operation.
- Project economics requiring a higher gold price than currently exists.
- The tailings facility, which must retain a water cover on the tailings in perpetuity.

With follow up work, these opportunities could prove beneficial to the project:

- Exploration to increase the potentially economic mineralization.
- A revised design for the cirque tailings facility to reduce its capital cost and its long-term costs after closure.

**The full SRK report will be posted on SEDAR shortly.**

### **National Instrument 43-101 Disclosure**

The SRK Study and the information concerning it contained herein were prepared under the supervision of Ken Reipas, P.Eng., and employee of SRK and Qualified Person as defined by National Instrument 43-101. SRK and Mr. Reipas are independent of the Company.

---

Seabridge has been designed to provide its shareholders maximum leverage to the price of gold. The Company has acquired a 100% interest in 15.6 million unhedged ounces of gold resources in North America, of which 8.7 million ounces are measured and indicated. (see [http://www.seabridgegold.net/gold\\_resources.htm](http://www.seabridgegold.net/gold_resources.htm) and press releases dated June 11, 2003, July 18, 2002, April 17, 2002, April 15, 2002, June 14, 2001; November 7, 2000; October 10, 2000 and April 27, 2000). The Company continues to seek expansion of its gold resource base by acquisition of new projects and exploration programs largely funded by partners.

All resource estimates reported in this disclosure are calculated in accordance with the Canadian National Instrument 43-101 and the Canadian Institute of Mining and Metallurgy Classification system. These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission.

Statements relating to the estimated or expected future production and operating results and costs and financial condition of Seabridge, planned work at the Company's projects and the expected results of such work are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfill projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties, including those described in the Company's Annual Information Form filed with SEDAR (available at [www.sedar.com](http://www.sedar.com)) for the year ended December 31, 2002.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management or its independent professional consultants on the date the statements are made. Seabridge undertakes no obligation to update these forward-looking statements if such beliefs, estimates or opinions or other factors should change.

**ON BEHALF OF THE BOARD**

"Rudi Fronk,"  
President & C.E.O.

For further information please contact:

Rudi P. Fronk, President and C.E.O.

Tel: (416) 367-9292 • Fax: (416) 367-2711

Visit our website at [www.seabridgegold.net](http://www.seabridgegold.net) Email: [info@seabridgegold.net](mailto:info@seabridgegold.net)

*The TSX-V Exchange does not accept responsibility for  
the adequacy or accuracy of this release.*