

SEABRIDGE GOLD

Report to Shareholders Quarter Ended June 30, 2023

Recent Highlights

- US\$150 million note/royalty financing completed with Sprott Streaming
- Substantially started activities at KSM kick into high gear
- RBC Capital Markets leads a formal process to obtain a partner for KSM
- 2023 drill programs at Iskut, 3 Aces and Snowstorm are all underway
- Filing of 2022 sustainability report and inaugural climate change strategy report

US\$150 million in new funding to be used to achieve “Substantially Started” status at KSM

In June, Seabridge's wholly owned subsidiary, KSM Mining ULC, completed the sale of a US\$150 million secured note to Sprott Resource Streaming and Royalty Corp. (“Sprott Streaming”). The Note is designed to be repaid at maturity by a 1.0% net smelter royalty (“NSR”) on Seabridge's 100% owned KSM project located in northern British Columbia, Canada. The US\$150 million in proceeds is being used to complete the physical works at KSM for which Seabridge expects to achieve a designation of ‘substantially started’ from the B.C. government. This new financing is in addition to the US\$225 million from Sprott Streaming and the Ontario Teachers’ Pension Plan to kick start the ‘substantially started’ program in 2022. The new US\$150 million funding is intended to move KSM towards accomplishing three main objectives:

1. Achieve the ‘Substantially Started’ designation which ensures the continuity of the KSM project's approved Environmental Assessment Certificate (“EAC”) for the life of the project;
2. Complete key tasks which support construction readiness and shorten the construction period once a construction decision has been made; and
3. Enhance the KSM proposition in our ongoing joint venture discussions by securing the EAC, further de-risking the project, and accelerating the construction timetable.

The new funding will enable the Company to complete the switching station and related work required for connecting KSM to BC Hydro's Northern Transmission Line for construction and operation of the mine. Access to this green energy will substantially enhance KSM's sustainability and carbon profile. Proceeds from the financing will also enable Seabridge to continue providing significant work for companies owned and managed by our Indigenous partners in the KSM project, an important ESG objective.

For details on the US\$150 million financing please see [here](#).

KSM Substantially Started activities accelerate with focus on power, roads, bridges, fish compensation and partnering

Power

In 2023, British Columbia Hydro and Power Authority (BC Hydro) continued the multi-year construction of the Treaty Creek Terminal station. Primary earthworks continue with progress greater than 90 percent complete. This work is the first phase of construction under the \$92 million Facilities Agreement signed between Seabridge Gold and with BC Hydro covering the design and construction of the facility. The project is on schedule for an In-Service Date of July 2026. Tree falling for the KSM transmission line right of way commenced and was completed for the first 17 kilometers starting at Highway 37 and paralleling the Treaty Creek Access Road.

Camps

During Q2 2023, the planned expansion of permanent accommodations at Camp 11 were completed and commissioned, providing a total of 210 beds to support construction and eventual operations on the Treaty Creek side of the property. Water management earthworks and infrastructure for the Camp

11 area were completed and fully functioning as designed, to adhere to regulatory permits and compliance. Three other camps were operational, two on the Treaty Creek side and one on the Mitchell Valley side. On the Treaty side, Bell 2 was utilized for remote field data collection and compliance work, as well as drilling programs to acquire critical geotechnical and geochemical data for future project work. Hodder Camp was utilized to host the BC Hydro TCT project workforce. In the Mitchell Valley, the Sulphurets Camp was opened to support the feasibility study drilling program and Substantial Start tree falling activities.

Roads

In Q2 2023, we finished the base road and bridge installations for the first 17 kilometers of the Treaty Creek Access Road. Construction of the remaining 28 kilometers will commence in Q3 2023 and advance over the next two construction seasons.

The detailed planning and design for the remaining 30 kilometers of the Coulter Creek Access Road continued, including planning for a Q3 acquisition of geotechnical and geochemical information and verification of the final road alignment.

Bridges

The area and road extending between Highway 37 and the Bell Irving River Bridge were completed. The road incorporated an elevated intersection with Highway 37 for improved visibility and safe access while entering and leaving the KSM site. Furthermore, a proper security facility and access control point were completed for the KSM project. We also delivered on a commitment to regional communities, by designing and completing a public water access to the Bell Irving River.

Fish Habitat

The Glacier Creek Fish Habitat Offsetting Program was successfully completed consisting of all bulk and final earthworks, fish habitat structures and features, specialty gravels, and woody debris. Planned revegetation has commenced and will be finished in the late 2023 field season.

Partnering

Wherever it determines there is capacity, Seabridge awards Substantially Started work to Indigenous partners and/or companies that have formed joint ventures with Indigenous groups. Project to date, \$209 million in contracts were awarded to Indigenous related companies. In early 2023 the Tahltan Nation and the Nisga'a Nation announced the formation of a new joint venture, the Treaty Creek Limited Partnership (TCLP), specifically designed for joint opportunities at KSM. We are now working closely with the TCLP to identify additional opportunities for their participation in our ongoing Substantially Started activities.

To assist in executing its Substantially Started activities, Seabridge has also partnered with Fluor Corporation, a globally recognized EPCM firm, to develop an integrated KSM project team and leverage industry best project management processes and systems. The involvement of Fluor could prove useful in transitioning KSM into a JV once a deal has been signed.

Due diligence advancing with potential partners on KSM joint venture process

We believe now is the ideal time to secure a joint venture partner for KSM to advance the project towards construction and operations. Following years of extensive ongoing consultation with major producers, Seabridge has configured KSM to meet the parameters these companies are looking for in a world-class project. Acquiring East Mitchell and undertaking Substantially Started activities were the final steps needed to optimize KSM economics and further de-risk the project.

We have therefore engaged RBC Capital Markets to set up a process and advise us on the optimal partner and structure. A gratifying number of global mining companies are currently under confidentiality agreements which provide them access to the data required to evaluate the joint venture opportunity and visit the site.

The new PFS has a gold-oriented open pit only option for companies that prefer this type of project. We also have produced preliminary models presenting copper rich mine development options for those potential partners that want to optimize copper output. KSM is a unique asset that is the world's

largest gold project and one of the world's largest copper projects, providing unusual flexibility to satisfy different commodity and production preferences.

KSM is now advanced well beyond the stage typically achieved by junior companies. To date, over \$800 million has been spent on the project, including significant infrastructure investments, engineering and technical work, obtaining permits, and on securing social license from local First Nations and communities. KSM is located in one of the world's best mining jurisdictions and government-funded infrastructure has made the project easily accessible. Ongoing activities include constructing a first priority connection to the Northwest Transmission Line, one of Canada's largest sources of green hydroelectric power, and a major benefit for an energy-dependent industry in a world where affordable energy is now in critically short supply.

We are looking forward to the next stage in the life of KSM with a partner able to build and operate it.

2023 drilling at Iskut to test Snip North target and expand Bronson Slope resources

Drilling is underway at Seabridge's 100% owned Iskut property in Northwestern B.C.'s Golden Triangle. Initial work focused on the Snip North target and has now expanded to the Bronson Slope target. The \$8 million 2023 program involves three core drill rigs with plans to complete 12 to 15 drill holes exceeding 12,000 meters focusing on copper-gold porphyry opportunities.

Historic drilling, regional geophysical surveys and surface geology continue to confirm a district scale structural feature that connects the Quartz Rise, Bronson Slope and Snip North targets. All the recognized mineral occurrences at Iskut are interpreted as high-level expressions of copper-gold porphyry systems aligned along this regional structural trend. The trend has similar characteristics to the one that hosts a cluster of porphyry systems Seabridge has defined at our nearby KSM project.

An MT survey that began last season has been expanded at Snip North. This survey is investigating extensive sericite-pyrite alteration and copper-gold geochemical anomalies in sedimentary rocks identified by 32 shallow diamond core holes previous operators drilled. Deeper drilling is planned to identify the source of this alteration and related copper-gold concentrations. To date, five holes totaling 4,426 meters of drilling have been completed at Snip North with assay results expected over the next several weeks.

The main part of the 2023 program will continue the drilling below the Bronson Slope resource which started last year and discovered a large, steeply plunging quartz-magnetite breccia pipe with clear indications of being sourced from hydrothermal eruptions out of an intrusion. The copper and gold concentrations within and on the margins of this breccia pipe are evidence the source intrusion could host a significant mineral system. Results from drilling in 2022 also identified copper and gold grades in sedimentary rocks outside of the Bronson Slope mineral resource. Resource expansion potential will be evaluated from results in the shallow parts of holes targeting the deeper breccia pipe and its intrusive source.

2023 drilling at 3 Aces to test our model in the Project's central core area

Drilling has commenced at Seabridge's wholly owned 3 Aces project in Canada's Yukon to undertake the testing of a comprehensive exploration model. The \$7 million program is scheduled to complete 7,500 meters of core and reverse circulation drilling in the Central Core Area (CCA) of the 3 Aces project. Initial targets will focus on expanding mineralized zones on the Hearts and Spades targets.

The 2023 program will be our first full program at 3 Aces, following the receipt of our Class 4 Exploration Permit in September 2022. Since the acquisition of 3 Aces in 2020, our exploration team has been refining our new model and checking its concepts against field observations. They believe this model will provide the basis to integrate past and current drill results into meaningful zones of mineralization. The expectation is that the 2023 program will help prioritize mineralized zones and take us steps closer to delineating resources.

The 2023 3 Aces program plans to test four target zones, Spades, Hearts, Hearts West, and Clubs. In these zones, dilation at the contacts between thick phyllite sequences and coarse interbedded

sandstones and conglomerates along second-generation folding events (F_2) have consistently shown better gold values. Evaluations of the target areas will include:

- The gold mineralization in historical drill holes that has not been pursued down plunge of the F_2 folds.
- Untested synform-antiform pairs of the F_2 folds, identified within the extensive gold-in-soil anomaly of the CCA.
- Interaction between structurally prepared rocks of the earlier F_1 folding and the mineralizing F_2 folds.

3 Aces was acquired by Seabridge in March 2020 as a district scale, orogenic gold project consisting of 1,734 claims covering 357 km² (35,700 ha). The property is in a readily accessible part of southeastern Yukon, on the eastern margin of the Selwyn Basin, a thick package of sedimentary rocks extending across the Yukon and host to several enormous base metal deposits (Howard's Pass District). Hosted in Hyland Group rocks, interbedded clastics and carbonate sediments are exposed near a regional tectonic boundary. A polyphase fold and fault system overprints the stratigraphy, creating ideal traps for gold-bearing fluids expressed as quartz veins. We believe the 3 Aces target is consistent with some of the biggest and richest gold deposits in the world, including the California Mother Lode Belt, Juneau Gold Belt, Muruntau in Uzbekistan, and Obuasi in Ghana.

Exploration at Snowstorm continues the quest for gold mineralization akin to Turquoise Ridge

The 2023 exploration program at Seabridge's 100% owned Snowstorm project in Nevada now underway will test the potential for mineralized faults along a zone of uplifted host stratigraphy.

Past Snowstorm exploration efforts have identified the geophysical signature of several parallel structures on the eastern margin of an uplifted Devonian Comus Formation block. This setting is consistent with large mines in the Getchell Trend.

Review of newly completed drilling, historical drilling, surface geochemistry and geophysical surveys have constrained the location of prospective stratigraphy at Snowstorm. The focus now is on features that follow the structural patterns of the Turquoise Ridge Mine. The \$3 million 2023 program is designed to test across two shallow structures into the prospective stratigraphy to probe for the presence of gold and pathfinder elements consistent with deposits on the Getchell Trend. The program will likely require follow-up drilling to expand the test to additional structures and refine the orientation of any gold occurrences.

2022 sustainability report and inaugural climate change strategy reports filed on website

In May, Seabridge filed its 2022 Sustainability Report and its inaugural Climate Change Strategy Report. These two reports go hand in hand to provide transparency on our actions and the progress we have achieved towards meeting our Sustainability and Climate Change goals. The Sustainability Report captures the 2022 calendar year and highlights our ongoing effort to be effective partners with our communities, stakeholders, and investors. The Climate Change Strategy Report showcases our commitment to understanding and managing our climate risks and the carbon emissions tied to our business activities. The reports and supporting data tables can be found at <https://www.seabridgegold.com/sustainability>.

The Gold Market

We think the US Treasury has a rendezvous with a dislocation in the Treasury market in the near future. The Treasury has announced that it intends to issue a net additional \$1.85T in debt securities in the second half of calendar 2023 to fund Washington's rapidly growing expenditures and offset falling tax receipts. The US deficit is running at about 8% of GDP, adding to the \$33T in debt now outstanding. As the Federal Reserve raises rates, interest expense on the debt screams higher, now clocking in at about \$900B annually...more than the military budget...and headed for \$1T by year end. As out of control as this now is, a recession will blow the doors off, and we think one is coming. The indicators are too persistent to allow an objective observer to dismiss the strong possibility.

We agree with the growing number of analysts who think US debt dynamics are too large for the economy. The private sector is not large enough to fund the deficit. Forcing the banks to take down

more Treasuries makes them more vulnerable to Fed interest rate policy. Foreigners are net Treasury sellers. Fiscal expenditures are by nature inflationary when debt financed and they are likely to overwhelm the Fed's attempt to achieve price stability, a problem known as fiscal dominance. To avoid a Treasury market dislocation, or resolve one in its early stages, we are confident the Fed must resume QE to fund the Federal Government. The over-valued dollar will be sacrificed. The alternative to the dollar is gold, as ongoing record central bank purchases clearly indicate.

We believe the financial environment for which we formed Seabridge in 1999, with our strategic emphasis on gold ownership per share and leverage to the price of gold, is near at hand.

Financial Results

During the three-month period ended June 30, 2023 Seabridge posted a net profit of \$9.0 million (\$0.11 per share) compared to a net profit of \$19.1 million (\$0.24 per share) for the same period in 2022. During the second quarter, Seabridge invested \$47.7 million in mineral interests project spending compared to \$27.2 million in the second quarter of 2022. At June 30, 2023, net working capital was \$147.2 million compared to \$88.4 million at December 31, 2022.

On Behalf of the Board of Directors,



Rudi P. Fronk
Chairman and Chief Executive Officer
August 14, 2023