

ICONIX BRAND GROUP, INC.  
Form SC 13G/A  
February 14, 2008

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**SCHEDULE 13G**

**(RULE 13d - 102)**

**Information to be included in statements filed pursuant  
to Rules 13d-1(b), (c) and (d) and amendments thereto filed  
pursuant to 13d-2(b)**

**(AMENDMENT NO.1)\***

Iconix Brand Group, Inc.

(Name of Issuer)

Common Stock, par value \$0.001

(Title of Class of Securities)

451055107

(CUSIP Number)

December 31, 2007

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule

pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information

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which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on the Following Pages)

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Partners, LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  X  
(b)  O  
3. SEC USE ONLY  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER  
0  
6. SHARED VOTING POWER  
440,971  
7. SOLE DISPOSITIVE POWER  
0  
8. SHARED DISPOSITIVE POWER  
440,971  
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
440,971  
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES\*  O  
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
0.8%  
12. TYPE OF REPORTING PERSON\*  
PN

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

LCG Select, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  X  
(b)  O  
3. SEC USE ONLY  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER  
0  
6. SHARED VOTING POWER  
134,322  
7. SOLE DISPOSITIVE POWER  
0  
8. SHARED DISPOSITIVE POWER  
134,322  
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
134,322  
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES\*  O  
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
0.2%  
12. TYPE OF REPORTING PERSON\*  
OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Partners Offshore, Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  X  
(b)  O  
3. SEC USE ONLY  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER  
0  
6. SHARED VOTING POWER  
674,341  
7. SOLE DISPOSITIVE POWER  
0  
8. SHARED DISPOSITIVE POWER  
674,341  
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
674,341  
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES\*  O  
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
1.2%  
12. TYPE OF REPORTING PERSON\*  
CO

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

LCG Select Offshore, Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  X  
(b)  O  
3. SEC USE ONLY  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER  
0  
6. SHARED VOTING POWER  
651,572  
7. SOLE DISPOSITIVE POWER  
0  
8. SHARED DISPOSITIVE POWER  
651,572  
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
651,572  
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES\*  O  
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
1.1%  
12. TYPE OF REPORTING PERSON\*  
CO

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Capital Group, LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  X  
(b)  O  
3. SEC USE ONLY  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER  
0
6. SHARED VOTING POWER  
2,070,417
7. SOLE DISPOSITIVE POWER  
0
8. SHARED DISPOSITIVE POWER  
2,070,417
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,070,417
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES\*  O
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
3.6%
12. TYPE OF REPORTING PERSON\*  
PN

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Luxor Management, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)  X

(b)  O

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

2,070,417

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

2,070,417

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,070,417

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)

EXCLUDES CERTAIN SHARES\*  O

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.6%

12. TYPE OF REPORTING PERSON\*

OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

LCG Holdings, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  X  
(b)  O  
3. SEC USE ONLY  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER  
0
6. SHARED VOTING POWER  
575,293
7. SOLE DISPOSITIVE POWER  
0
8. SHARED DISPOSITIVE POWER  
575,293
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
575,293
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES\*  O
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
1.0%
12. TYPE OF REPORTING PERSON\*  
OO

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

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CUSIP No. 451055107

1. NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Christian Leone

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  X  
(b)  O  
3. SEC USE ONLY  
4. CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

5. SOLE VOTING POWER  
0
6. SHARED VOTING POWER  
2,070,417
7. SOLE DISPOSITIVE POWER  
0
8. SHARED DISPOSITIVE POWER  
2,070,417
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
2,070,417
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES\*  O
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
3.6%
12. TYPE OF REPORTING PERSON\*  
IN, HC

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

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This statement is filed with respect to the shares of common stock (the Common Stock ) of Iconix Brand Group, Inc. (the Issuer ) beneficially owned by the Reporting Persons (as defined below) as of December 31, 2007, and amends and supplements the Schedule 13G originally filed on June 25, 2007 (collectively, the Schedule 13G ). Except as set forth herein, the Schedule 13G is unmodified.

### **ITEM 2(a). NAME OF PERSON FILING:**

The names of the persons filing this statement on Schedule 13G are (collectively, the Reporting Persons ):

Luxor Capital Partners, LP, a Delaware limited partnership (the Onshore Fund ).

LCG Select, LLC, a Delaware limited liability company (the Select Onshore Fund ).

Luxor Capital Partners Offshore, Ltd., a Cayman Islands exempted company (the Offshore Fund ).

LCG Select Offshore, Ltd., a Cayman Islands exempted company (the Select Offshore Fund ).

Luxor Capital Group, LP, a Delaware limited partnership ( Luxor Capital Group ).

Luxor Management, LLC, a Delaware limited liability company ( Luxor Management ).

LCG Holdings, LLC, a Delaware limited liability company ( LCG Holdings ).

Christian Leone, a United States citizen ( Mr. Leone ).

Luxor Capital Group acts as the investment manager of the Onshore Fund, the Select Onshore Fund, the Offshore Fund and the Select Offshore Fund, among other accounts. Luxor Management is the general partner of Luxor Capital Group. Mr. Leone is the managing member of Luxor Management. LCG Holdings is the general partner of the Onshore Fund and the managing member of the Select Onshore Fund. Mr. Leone is the managing member of LCG Holdings.

Luxor Capital Group, Luxor Management and Mr. Leone may each be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund, the Select Onshore Fund, the Offshore Fund and the Select Offshore Fund. LCG Holdings may be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund and the Select Onshore Fund.

### **ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:**

The business address of each of the Onshore Fund, the Select Onshore Fund, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone is 767 Fifth Avenue, 19th Floor, New York, New York 10153.

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The business address of each of the Offshore Fund and Select Offshore Fund is c/o M&C Corporate Services Limited, P.O. Box 309 GT, Uglad House, South Church Street, George Town, Grand Cayman, Cayman Islands.

### **ITEM 2(c). CITIZENSHIP:**

Mr. Leone is a citizen of the United States.

Each of the Select Onshore Fund, Luxor Management and LCG Holdings is a limited liability company formed under the laws of the State of Delaware.

Each of the Onshore Fund and Luxor Capital Group is a limited partnership formed under the laws of the State of Delaware.

Each of the Offshore Fund and Select Offshore Fund is a company formed under the laws of the Cayman Islands.

### **ITEM 2(d). TITLE OF CLASS OF SECURITIES:**

Common Stock, \$0.00001 par value per share (the Common Stock )

### **ITEM 2(e). CUSIP NUMBER:**

89600B102

### **ITEM 4. OWNERSHIP.**

Provide the following information regarding the aggregate number and

percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

- (i) The Onshore Fund owns 440,971 shares of Common Stock.
- (ii) The Select Onshore Fund owns 134,322 shares of Common Stock.
- (iii) The Offshore Fund owns 674,341 shares of Common Stock.
- (iv) The Select Offshore Fund owns 651,572 shares of Common Stock.

(v) Luxor Capital Group, as the investment manager of the Onshore Fund, the Select Onshore Fund, the Offshore Fund and the Select Offshore Fund, may be deemed to beneficially own the 1,901,206 shares of Common Stock held by them, and an additional 169,211 shares of Common Stock held in accounts that it separately manages.

(vi) Luxor Management and Mr. Leone may each be deemed to be the beneficial owners of the shares of Common Stock beneficially owned by Luxor Capital Group.

(vii) LCG Holdings may be deemed to be the beneficial owner of the shares of Common Stock held by the Onshore Fund and the Select Onshore Fund.

(viii) Mr. Leone may be deemed to be the beneficial owner of the shares of Common Stock beneficially owned by LCG Holdings.

- (ix) Collectively, the Reporting Persons beneficially own 2,070,417 shares of Common Stock.
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### (b) Percent of Class:

- (i) The Onshore Fund's ownership of 440,971 shares of Common Stock represents 0.8% of all of the outstanding shares of Common Stock based on the 56,914,891 shares of Common Stock outstanding as of October 31, 2007 as described in the Issuer's Form 10-Q for the period ended September 30, 2007.
- (ii) The Select Onshore Fund's ownership of 134,322 shares of Common Stock represents 0.2% of all of the outstanding shares of Common Stock.
- (iii) The Offshore Fund's ownership of 674,341 shares of Common Stock represents 1.2% of all of the outstanding shares of Common Stock.
- (iv) The Select Offshore Fund's ownership of 651,572 shares of Common Stock represents 1.1% of all of the outstanding shares of Common Stock.
- (v) LCG Holdings' ownership of the 575,293 shares of Common Stock represents 1.0% of all of the outstanding shares of Common Stock.
- (vi) Luxor Capital Group's, Luxor Management's and Mr. Leone's beneficial ownership of 2,070,417 shares of Common Stock represents 3.6% of all of the outstanding shares of Common Stock.
- (vii) Collectively, the Reporting Persons' beneficial ownership of 2,070,417 shares of Common Stock represents 3.6% of all of the outstanding shares of Common Stock.

### (c) Number of shares as to which such person has:

#### (i) Sole power to vote or to direct the vote

Not applicable.

#### (ii) Shared power to vote or to direct the vote of Common Units:

The Onshore Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 440,971 shares of Common Stock held by the Onshore Fund.

The Select Onshore Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 134,322 shares of Common Stock held by the Select Onshore Fund.

The Offshore Fund, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 674,341 shares of Common Stock held by the Offshore Fund.

The Select Offshore Fund, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 651,572 shares of Common Stock held by the Select Offshore Fund.

Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 169,211 shares of Common Stock beneficially owned by Luxor Capital Group through the separate accounts it manages.

#### (iii) Sole power to dispose or to direct the disposition of Common Units:

Not applicable.

#### (iv) Shared power to dispose or to direct the disposition of Common Units:

The Onshore Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 440,971 shares of Common Stock held by the Onshore Fund.

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The Select Onshore Fund, Luxor Capital Group, LCG Holdings, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 134,322 shares of Common Stock held by the Select Onshore Fund.

The Offshore Fund, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 674,341 shares of Common Stock held by the Offshore Fund.

The Select Offshore Fund, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 651,572 shares of Common Stock held by the Select Offshore Fund.

Luxor Capital Group, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 169,211 shares of Common Stock beneficially owned by Luxor Capital Group through the separate accounts it manages.

### **ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.**

If this statement is being filed to report the fact that as of the date hereof the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following X.

### **ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.**

See Exhibit B.

### **ITEM 9. NOTICE OF DISSOLUTION OF GROUP.**

LCG Spectrum, LLC is no longer in existence and is therefore no longer a member of the group.

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**ITEM 10. CERTIFICATION.**

By signing below the undersigned certifies that, to the best of its or his knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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**SIGNATURE**

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete, and correct.

Dated: February 14, 2008

LUXOR CAPITAL PARTNERS, LP

By: LCG Holdings, LLC, as General Partner

By: /s/ Norris Nissim

Norris Nissim,

General Counsel

st.

The Company's common shares trade on the TSX Venture Exchange under the symbol "SEA" and on the American Stock Exchange under the symbol "SA".

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares. As of December 31, 2007, the end of the most recent fiscal year, there were 37,297,885 common shares issued and outstanding and no preferred shares issued and outstanding.

20

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Table of Contents

Corporate Background

The Company was originally incorporated under the Company Act of British Columbia under the name of Chopper Mines Ltd. on September 14, 1979. After conducting a 1 for 5 reverse split, the Company changed its name to Dragoon Resources Ltd. on November 9, 1984. On May 20, 1998, the Company conducted a 1 for 10 reverse split and changed its name to Seabridge Resources Ltd. On June 20, 2002, the Company changed its name to Seabridge Gold Inc. in order to better reflect the Company's focus on gold and gold projects. On October 31, 2002 the Company also continued from British Columbia into Canadian Federal jurisdiction under the Canada Business Corporations Act.

The Company presently has four active subsidiaries: Seabridge Gold Corporation, a Nevada corporation; Pacific Intermountain Gold Inc., a Nevada corporation; 5073 N.W.T. Limited, a company incorporated under the laws of the Northwest Territories of Canada; and Minera Seabridge Gold SA de CV, a company incorporated in Mexico. The following diagram illustrates the current inter-corporate relationship between the Company and its material subsidiaries:

(1)The Company's 100% interest in the Quartz Mountain project is subject to the terms of an option agreement with Quincy Energy Corp. (which subsequently became Golden Predator Mines Inc.) under which Quincy can earn up to a 62.5% interest in portions of the property.

Table of Contents

Currently, the Company conducts operations in Canada, Mexico and the United States. As of December 31, 2007, the Company's non-current assets were located as follows:

U n i t e d	
States:	\$ 8,855,729
Canada:	\$ 48,991,219
Mexico:	\$ 6,316,381

History and Development of the Business

On May 20, 1998, the Company completed a 1 for 10 reverse split and changed its name to Seabridge Resources Inc.

In October 1999, the Company initiated a corporate strategy based on its belief that the then depressed gold market offered significant upside potential. In October 1999, a new Board and senior management team possessing the required technical and financial skills to implement the new strategy were put in place. The new corporate direction was to acquire gold mining assets, including developed resources and shutdown or suspended projects, which had been made available by depressed gold prices and a lack of capital and which were uneconomic at the current gold price. The Company observed that projects that previously commanded significant market capitalization when gold prices were higher were becoming available at fractions of their previous valuations. The success of this new strategy was dependent on a return to higher gold prices. From October 1999 through to the present the Company acquired nine North American based gold projects which collectively contain substantial gold resources.

With the recent improvement in gold prices, the Company has commenced engineering studies and exploration activities on several of its projects. In addition, the Company has entered into joint venture agreements on some of its projects where partners will be conducting exploration activities.

In February 2000, the Company acquired an option to purchase 100% of the Grassy Mountain gold project located in eastern Oregon from Atlas Precious Metals Inc. ("Atlas"). In March 2003, the Company exercised its option and acquired a 100% interest in the Grassy Mountain Property.

In June 2000, the Company entered into a Letter of Intent with Placer Dome (CLA) Limited to acquire a 100% interest in the KSM project located in the Iskut-Stikine River region, approximately 20 km southeast of the Eskay Creek Mine in British Columbia. In June 2001, the Company completed the acquisition of Placer Dome's 100% interest in the project. In September 2002, the Company announced that it had entered into an agreement with Noranda Inc. (which subsequently became Falconbridge Limited and then Xstrata plc) whereupon Falconbridge could earn a 50% interest in the project by spending \$6,000,000 on exploration at the project within 6 years. Falconbridge could earn an additional 15% interest by funding all costs to complete a feasibility study. During 2003 and 2004, Falconbridge conducted field programs at KSM consisting of mapping, rock and soil sampling, and IP surveys. During 2005 Falconbridge drilled 16 widely-spaced core drill holes totaling 4,092 meters designed to test six targets situated

Table of Contents

outside the resources previously defined for the Kerr and Sulphurets zones. In 2006 Falconbridge was acquired by Xstrata plc. In April 2006, the Company announced that it had reached agreement with Falconbridge whereby the Company would purchase Falconbridge's option to earn up to a 65% interest at KSM by issuing Falconbridge 200,000 common shares and 2.0 million conditional common share purchase warrants with an exercise price of C\$13.50 per share. One warrant would become exercisable for each new ounce of gold resources discovered at KSM, up to a maximum of two million. The transaction closed in August 2006. In 2006 the Company drilled 24 holes at the Mitchell zone and defined an initial mineral resource thereby triggering the vesting of all 2.0 million Xstrata warrants. In 2007, Xstrata exercised all 2.0 million warrants, thereby providing the Company with \$27.0 million in proceeds. During 2007, the Company continued exploration activities at the Mitchell zone. In January 2008, the Company announced independent resource estimates for the Kerr and Sulphurets zones at KSM. In February 2008, the Company announced independent resource estimates for the Mitchell zone at KSM.

In December 2001, the Company entered into an agreement to acquire a 100% interest in the Quartz Mountain Gold Project located in Lake County, Oregon. The Quartz Mountain acquisition was completed in January 2002. In October 2003, the Company granted Quincy Gold Corp. an option to earn a 50% interest in the Quartz Mountain gold project, excluding the existing gold resources. Under certain conditions Quincy can increase its interest to 62.5%. During 2004, Quincy completed approximately 4,000 meters of core drilling at the property designed to test for higher-grade feeder zones. Additional drilling is planned by Quincy in 2008.

Effective December 31, 2001, the Company entered into an agreement to acquire a 100% interest in the Red Mountain Gold Project located near Stewart, British Columbia. Closing of the Red Mountain transaction was completed in April 2002.

In May 2002, the Company reached agreement to purchase a 100% interest in the Courageous Lake Project located in the Northwest Territories, Canada. The Company paid former owners Newmont Canada Limited and Total Resources (Canada) US\$2,500,000 and granted them a 2.0% NSR for 100% of the project. Seabridge also agreed to pay Newmont and Total up to an additional US\$3,000,000 depending upon the price of gold. The purchase was closed in July 2002. In April 2003 and February 2004, the Company paid the former owners of the Courageous Lake Project the US\$3,000,000 (\$1,500,000 on each date) as the price of gold exceeded the two threshold levels that triggered the obligations to make these payments. In 2004, an additional property was optioned in the area ("Red 25"). Under the terms of the agreement, the Company paid \$50,000 on closing and is required to make option payments of \$50,000 on each of the first two anniversary dates and subsequently \$100,000 per year. In addition, the property may be purchased at any time for \$1,250,000 with any option payments being credited against the purchase price. During 2005, an independent Preliminary Assessment was completed on the known FAT (felsic ash tuff) resources at that time including capital and operating costs estimates for a large-scale open pit operation. In March 2008, the Company announced the results of an updated Preliminary Assessment incorporating a new resource estimate and updating capital and operating cost estimates from the 2005 study.

## Table of Contents

In June 2002, the Company and an independent third party incorporated a Nevada company named Pacific Intermountain Gold Corporation to acquire and explore early-stage exploration projects which have previously identified gold systems capable of hosting large-scale deposits. In 2004, the Company increased its ownership in Pacific Intermountain Gold to 100%, subject to a 10% net profits interest retained by the previous equity owner. To date, Pacific Intermountain Gold has entered into a number of option agreements with third parties whereby the third parties can earn interests in specific projects by funding exploration and making payments to Pacific Intermountain Gold.

In April 2006, the Company acquired a 100% interest in the Noche Buena gold project located in Sonora, Mexico from Hecla Mining Company for US\$4,350,000 in cash.

### Business Overview

All of the Company's operations are located in Canada, the United States and Mexico. The Company operates in the mineral exploration sector.

All of the Company's properties are currently at the exploration stage. There is no assurance that an economic and commercially viable deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine if any economic and legally feasible deposits occur on the Company's properties.

Operations are not seasonal as the Company can conduct exploration at certain of its properties year-round. To date, the Company's income has been limited to interest on its cash balances and therefore it is not currently dependent upon market prices for its operations, nor is it dependent upon any patents, licenses or manufacturing processes.

The mineral exploration operations of the Company are subject to regulation by several government agencies at the Federal, Provincial and local levels. These regulations are well documented and a fundamental aspect of operations for any resource company in Canada and the United States. Management believes the Company is in compliance with all current requirements and does not anticipate any significant changes to these regulations which will have a material effect on the Company's operations. The Company has obtained or has applied for all material permits required for its anticipated exploration activities.

### Mineral Properties

The Company currently operates in the mineral exploration sector. All of the Company's properties are located in Canada, Mexico and the United States and are at the exploration stage.

Table of Contents

25

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Table of Contents

Seabridge considers its material properties to be the KSM Project and the Courageous Lake Project. These material properties are described in detail below.

Courageous Lake Project

The Courageous Lake project is a gold project covering approximately 67,000 acres located in the Northwest Territories, Canada. Seabridge has a 100% interest in the project, subject to a 2% NSR on certain portions of the property. The Property is without known mineral reserves and is at the exploration stage; the Company's current efforts are exploratory in nature.

Location and Access

The project is located approximately 240 kilometers northeast of Yellowknife in the Northwest Territories. Year round access is available by air, either by fixed wing aircraft to the airstrip at the former Salmita mine 6 kilometers to the south or via float-equipped aircraft to several adjacent lakes. During mid-winter, access is available via a winter road. There are about 10 kilometers of gravel roads located on the property.

Table of Contents

27

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## Table of Contents

### How Acquired

In May 2002, Seabridge entered into a purchase agreement with Newmont Canada Limited and Total Resources Canada Limited on the Courageous Lake project comprised of 17 mining leases covering 18,178 acres. Under the purchase agreement, Seabridge paid Newmont/Total US\$2.5 million in cash and granted them a 2.0% NSR and agreed that it would be liable to make two (2) further payments of US\$1.5 million, each subject to the price of gold passing certain thresholds, for a 100% interest in the property. A further US\$1.5 million was paid to Newmont/Total in April 2003 as a result of the spot price of gold closing above US\$360 per ounce for 10 consecutive days, which occurred in February 2003. A further US\$1.5 million was payable to Newmont/Total 60 days after the spot price of gold closes at or above US\$400 per ounce. This final payment was made in February 2004. The purchase by Seabridge closed on July 31, 2002. Upon acquiring the Courageous Lake project, Seabridge assigned its right thereto to its wholly owned subsidiary, 5073 N.W.T. Ltd. The obligations of 5073 N.W.T. Ltd. under the agreement, including the payment of the royalty, is secured by a debenture under which the vendors have been granted a security interest in the Courageous Lake property. Subsequent to this acquisition, Seabridge staked contiguous open ground totaling an additional 48,905 acres in 42 mining claims of which a portion is subject to the terms of the purchase agreement, including the 2% royalty. In 2004, an additional property was optioned in the area ("Red 25"). Under the terms of the agreement, the Company paid \$50,000 on closing and is required to make option payments of \$50,000 on each of the first two anniversary dates (paid) and subsequently \$100,000 per year. In addition, the property may be purchased at any time for \$1,250,000 with any option payments being credited against the purchase price.

### Regional and Property Geology

The Courageous-Matthews Lakes belt is characterized by a series of north to northwest trending Archean metavolcanic and metasedimentary rocks that are within the Yellowknife Supergroup and are locally referred to as the Courageous Lake Greenstone Belt ("CLGB"). The CLGB is approximately 60 kilometers long, with a maximum east-west width of 5.5 kilometers. Two distinct volcanic cycles have been recognized within the CLGB. The second cycle of volcanism is conformably overlain by a thick sequence of metasedimentary rocks that are locally known as the Yellowknife Group Sediments ("YGS"). The dominant post YGS lithology consists of large granodiorite to diorite plutons that bound the Courageous Lake deposit along its east and west flanks.

North of Matthews Lake, the Courageous Lake property consists of a sequence of northerly trending, steeply dipping metasedimentary and metavolcanic rocks, with tops to the east. All of the currently recognized gold occurrences on the property are located within or near the top of the second cycle of volcanism of the CLGB. Generally, the units that make up the second volcanic cycle are about 2 kilometers thick and have been subdivided into 8 distinct mappable units.



## Table of Contents

Both the main Tundra and carbonate zones within the Courageous Lake property strike north-south and have a near vertical dip component. The zones are characterized by moderate to intense shearing, sericite-carbonate alteration, and quartz veining. These mineralized zones are very persistent along strike and down dip. The continuity of gold mineralization has been demonstrated to be at least 800 meters along strike based upon previous drilling results. Within the area that has been tested by drilling, the continuity of gold mineralization is at least 100 meters in a down dip direction. The limits of gold mineralization have not been fully tested and the deposit remains open along strike and down dip.

### Previous Exploration History

Gold was first discovered in the Courageous Lake area in the early 1940's. Beginning in 1976, Noranda Exploration Ltd. initiated exploration in the Courageous Lake Volcanic Belt. Exploration activities included geological reconnaissance, airborne, EM and magnetic surveys, ground follow-up and claim staking. In 1982, Noranda initiated a limited drill program to evaluate rock units north of Matthews Lake. Detailed geophysics, geological mapping, and extensive diamond drilling followed this initial program leading to the discovery of two gold deposits, the Tundra Deposit (Main Zone), known as the FAT Deposit, and the Carbonate Zone.

From 1982 to 1987, Noranda continued core drilling the property from the surface and also constructed a winter road to the property. They also began an environmental impact study. In late 1987, Noranda made the decision to sink a vertical shaft to provide access for conducting an underground definition drilling program and to be able to test gold grade continuity and tenor by drifting and raising on ore grade shoots. This also allowed Noranda to extract a bulk sample for metallurgical testing. In conjunction with the development of the shaft, surface core drilling, magnetic, VLF, and HLM surveys were also completed.

In late 1987, Noranda completed an in-house preliminary resource estimate. Based upon this work, a two-year underground exploration program was initiated. The program was designed to establish an underground mining reserve, access material for bulk metallurgical sampling and provide engineering information for mine design and planning. The shaft was timbered and completed to a depth of 472.6 meters in April 1989. Drifting on the target zone occurred between May to November 1989 and totaled 1,948.2 meters. Both lateral drifts and sub-vertical raises were completed and provided access to bulk sample locations and diamond drilling stations along the strike of the target zones. Approximately 200 vertical meters and 750 to 8000 of strike length of the mineralized zone were tested by underground drill holes. Additional horizontally fanned holes were drilled on 25-meter centers to aid in the interpretation of the target zone. Underground drilling was completed in November 1989 and totaled 27,459.25 meters in 125 diamond drill holes.

Little additional work was performed on the property until Placer Dome optioned the property in 1998. Placer's exploration included a core drilling/sampling program in order to verify Noranda's previous work and to provide infill sample data. Detailed mapping and structural analysis was done by Placer concurrent with the drilling to help design a

## Table of Contents

drill plan as well as conducting a ground magnetic survey to define the zone of mineralization. Placer utilized two diamond drill rigs to provide detailed information on the continuity of the Tundra Main Zone and to confirm the Carbonate Zone. The total diamond drilling completed by Placer was 15,988 meters in 76 drill holes. Placer dropped its option on the property in 1999.

### Environmental/Regulatory Information

As part of its due diligence review on the property, Seabridge engaged EBA Engineering Consultants Ltd. of Yellowknife, Northwest Territories, to prepare an Environmental Review of the Courageous Lake property. EBA determined the governmental environmental review process in the NWT would likely take 24 to 36 months from the time a Project Description Report had been filed with the authorities before the review process began. An additional 12 to 16 months would likely be required to complete the regulatory review process, all at a cost of \$2-8 million, plus another \$0.5-1 million for costs during the regulatory phase.

Additionally, EBA visited and evaluated the site for any current or potential environmental damage related to historical exploration work conducted at Courageous Lake by previous operators. EBA found no significant environmental concerns, but did note several areas of potential concerns, including the existing land disturbances, acid rock drainage from waste rock and drill casings.

The Company began to collect environmental data at their Courageous Lake, NWT property in 2003. The data collection was designed and implemented by EBA Engineering Consultants Ltd and focused on multi-year studies required to obtain operating permits. To date the data includes archaeology, fisheries, water quality, hydrology and wildlife. The environmental programs in 2005, 2006 and 2007 included hydrology and a comprehensive review of environmental data collection programs to support the application to the McKenzie Valley Land and Water Board for development licenses and permits.

### Current and Planned Work

In late 2002, Seabridge engaged a group of independent consulting firms to undertake an engineering study for Courageous Lake. During 2003, preliminary reports were completed on key mining and metallurgical issues relating to the project. In January 2004, Seabridge authorized the independent consultants to upgrade capital and operating cost estimates in its Courageous Lake study to pre-feasibility levels to better define the economics of the project. As a result of a 2004 drilling program, the Company commissioned a new independent resource estimate for the FAT deposit which was completed in December 2004 and was incorporated into the engineering study. The engineering study was completed in September 2005 and the results are presented below.

During a 2003 summer exploration program, Seabridge successfully identified 12 gold targets at Courageous Lake with characteristics similar to the existing FAT zone at the project. The Company also identified significant drill core from previous owners of these

Table of Contents

targets which had not been assayed. The drill core, an estimated 110,000 meters, was retained on the property but never evaluated for bulk mineable potential. From September through December of 2003, Seabridge conducted a program to evaluate and prioritize these 12 targets by sampling and assaying available core. The results from this program confirmed that nine of the 12 targets have the potential to host bulk mineable deposits similar to FAT. Of these nine targets, four have been consolidated into what is now called the Salmita Zone and five have been consolidated into what is now called the Tundra Zone. A 10,000-meter core drill program was conducted by Seabridge during 2004 that focused on testing the Salmita and Tundra Zones as well as the potential strike extension of the FAT zone and the FAT hanging wall zone.

In 2004, drill testing of selected priority targets was undertaken by the Company. The program was conceived in 2 stages, initial testing for strataform gold concentrations similar to the FAT Deposit and sectional drilling for potential resource additions. The initial program intended to test 3 target areas, Olsen Lake, Walsh Lake and the South FAT Extension. Ground conditions precluded a test of the Walsh Lake target, but the other targets were tested. Results from the initial stage of the program led Seabridge to initiate sectional drilling on the South FAT Extension. The South FAT Extension was a projection of the previous resource model where little work had been completed. Surface and initial drilling results indicated that 300 meters of strike could be added to the FAT Deposit with the completion of sectional drilling. The second stage of the 2004 program completed the sectional drilling on 50-meter section lines across these 300 meters of strike.

In September 2005, an engineering study (classified as a Preliminary Assessment under National Instrument 43-101 in Canada) for the Courageous Lake project was completed by a team of independent consultants. The Preliminary Assessment is dated September 7, 2005 and is entitled "Seabridge Gold Inc., Courageous Lake Project, Preliminary Technical Assessment". The independent consultants concluded that given the resource size, location and grade, a year round, open-pit bulk mineable operation with on-site processing is the most suitable development scenario. A base case scenario was developed for the project incorporating a 25,000 tonne per day operation (9.0 million tonne per year throughput) resulting in a projected 8.5 year operation with average annual production of 545,000 ounces of gold.

During 2005 and 2006, the Company completed an additional 15,689 meters of core drilling at Courageous Lake, designed to test areas to the west of the main mineralized zones and to the north.

In 2007, the Company commissioned a group of independent consultants to update the Preliminary Assessment by incorporating the new 2007 resource estimate for the project and updating all capital and operating cost estimates. An updated Preliminary Assessment was completed in March 2008, and the results are mentioned in the next section.

The Company estimates its annual holding costs of the Courageous Lake Project to be \$236,000 with \$136,000 of these costs paid to the Department of Indian Affairs and Northern Development, Northwest Territories and the remaining \$100,000 as an option payment on the Red 25 claim payable to Bathurst Inlet Developments (1984) Ltd.

Table of Contents

## Mineral Resources

Over the period of previous exploration at Courageous Lake, several resource estimates have been prepared. The most detailed historic estimates were conducted by Noranda in 1990 at the conclusion of its underground exploration program, by Placer Dome in 1999 at the conclusion of its exploration program and by Resource Modeling Inc. (an independent consulting firm based in Tucson, Arizona) in July 2002 as part of the Company's due diligence when it acquired the project from Newmont and Total, and in December 2004 incorporating additional exploration results subsequent to the 2002 estimate.

In January 2007, RMI completed a new resource model for Courageous Lake, incorporating the results from the Company's 2005 and 2006 exploration programs. The study provided resource estimates at various cut-off grades.

In March 2008, an updated Preliminary Assessment for the Courageous Lake project was completed by a group of independent consultants including Wardrop Engineering Inc. ("Wardrop"), Snowden Mining Consultants Inc. ("Snowden"), EBA Engineering Consultants Ltd. ("EBA"), TJS Mining-Met Services Inc. ("TJS"), W.N. Brazier & Associates Inc. ("Brazier"), and Resource Modeling Inc. ("RMI") (collectively the "Project Consultants").

In the March 2008 Preliminary Assessment, Snowden determined that based on a mining cost of \$1.15 per tonne, a processing and G&A cost of \$14.19 per tonne, an 88.9% recovery rate, and a gold price of US\$690, that a 0.76 gram per tonne cut-off grade was appropriate for the deposit.

Courageous Lake Gold Resources at 0.76 grams per tonne cut-off:

Measured		Indicated	
Tonnes Grade Ounces	Tonnes Grade Ounces	Tonnes Grade Ounces	Tonnes Grade Ounces
(000's) (g/T)	(000's) (g/T)	(000's) (g/T)	(000's) (g/T)
6,531	2.85	598	56,577
		2.05	3,729

## Cautionary Note to U.S. Investors concerning estimates of Measured and Indicated Resources

This section uses the terms "measured resources", "indicated resources" and "inferred resources". We advise U.S. investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Table of Contents

Courageous Lake Gold Inferred Resources at 0.76 grams per tonne cut-off

	Inferred	
Tonnes Grade	Ounces	
(000's) (g/T)	(000's)	
101,394	1.89	6,161

Cautionary Note to U.S. investors concerning estimates of Inferred Resources

This section uses the term “inferred resources”. We advise U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. “Inferred resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

None of the resource can be classified as a Mineral Reserve. Additional exploration work will be required in order to upgrade the resources into reserve categories, and a full feasibility study will be required in order to determine if any of the mineral resources are economic and can be profitably mined.

The resource model constructed for the Courageous Lake deposit incorporates data from 488 holes drilled by Seabridge, Noranda and Placer Dome totaling 131,338 meters. Block model gold grades in the Courageous Lake resource model were estimated using an inverse distance weighting interpolation procedure.

KSM Project

The KSM Project consists of three separate gold zones (Kerr, Sulphurets and Mitchell) located in the Iskut-Stikine River region of British Columbia. Seabridge currently has a 100% interest in the project. The Property is without known mineral reserves and is at the exploration stage; the Company’s current efforts are exploratory in nature.

Location and Access

The KSM property is located in the Iskut-Stikine River region, approximately 65 km northwest of Stewart, British Columbia. Access to the property is by helicopter from Stewart. Mobilization of equipment and personnel can be staged quite effectively from the Tide Lake airstrip, Bronson Strip or from Bob Quinn and Bell II Crossing on the Stewart Cassiar Highway.

Table of Contents

34

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## Table of Contents

### How Acquired

Seabridge entered into a Letter of Intent with Placer Dome in June 2000 to acquire a 100% interest in KSM. On March 27, 2001, the Company and Placer Dome executed a definitive acquisition agreement and the acquisition closed in June 2001. At closing, the Company issued Placer Dome (i) 500,000 common shares of Seabridge; (ii) 500,000 common share purchase warrants, exercisable by Placer Dome at C\$2.00 per share for two years; and (iii) a 1% net smelter royalty interest on the Project, capped at C\$4.5 million. Seabridge will be obligated to purchase the 1% net smelter royalty from Placer Dome for \$4.5 million in the event that a positive feasibility study demonstrates a 10% internal rate of return after tax and financing costs.

In September 2002, the Company optioned KSM to Noranda Inc. (which subsequently became Falconbridge Limited and then Xstrata plc.) which could have earned a 50% interest by spending \$6 million on exploration within 6 years. Noranda was entitled to earn a further 15% by funding all costs to complete a feasibility study on the project.

In April 2006, the Company announced that it had reached agreement with Falconbridge whereby the Company would re-acquire Falconbridge's option to earn a 65% interest at KSM for 200,000 common shares of the Company and 2.0 million conditional common share purchase warrants of the Company with an exercise price of C\$13.50 per share. One warrant becomes exercisable for each new ounce of gold resource discovered at KSM, up to the maximum of two million. The transaction closed in August 2006. With the announcement of an initial mineral resource at the Mitchell mineral resource, the full 2.0 million warrants became exercisable in February 2007. During 2007, all two million warrants were exercised by Xstrata and the Company received \$27 million in proceeds.

The KSM project consists of two contiguous claim blocks known as the Kerr Property and the Sulphurets Property. Total minimum annual holding costs associated with the project are approximately \$100,000.

### Property Description

The property consists of 30 contiguous mineral claims and 19 contiguous placer claims covering an area of approximately 6,726 hectares while the placer claims cover about 4,554 hectares. It should be noted that most of the placer claims lie "over the top" of the mineral claims. Seabridge also has acquired 45 contiguous mineral claims (Seabee Property) that are located about 19 kilometers northeast of the KSM property.

The KSM mineral claims were converted from 58 legacy claims to B.C.'s new Mineral Titles Online (MTO) system in 2005. Eleven legacy placer claims were converted in 2005 to nine cell placer claims. Ten cell placer claims have been added to the property and are contiguous with the converted legacy placer claims. In the MTO system, claims are located digitally using a fixed grid on lines of latitude and longitude with cells measuring 15 seconds north-south and 22.5 seconds east-west (approx. 460 by 380 meters at KSM). The legacy claims were located by previous owners by placing tagged posts along the boundaries; however the survey method employed in locating the legacy claims is not known. With the MTO system no markings are required on the ground and the potential for gaps and/or overlapping claims inherent in the old system is eliminated.

## Table of Contents

The claims are 100% owned by Seabridge. Placer Dome Inc. (now Barrick Gold) retains a 1% net smelter royalty (NSR) that is capped at \$4.5 million. Two of the pre-converted claims (Xray 2 and 6) are subject to a contractual royalty obligation in accordance with terms in the underlying Dawson Agreement. The lands covered by these claims are now contained within the converted Xray 1 claim (Tenure No. 516245). There is an additional underlying agreement whereby advance annual royalties payable to Dawson are being paid by Placer Dome Inc.

Annual holding costs for all of the claims (mineral and placer) are approximately \$172,988. In 2007, assessment work was filed to advance the year of expiry to 2018. Neither the KSM placer claims nor the Seabee Property claims have had any work filed to date, but both are in good standing to 2008 and 2009.

## Regional and Property Geology

The KSM property lies within the Stikine Terrane and is underlain largely volcanic, volcanoclastic and sedimentary rocks at the western edge of the Bowser Basin. Within this geologic framework, copper, gold and molybdenum mineralization and associated alteration are focused in a local core where intense folding, faulting, thrust faulting and intrusions are prevalent. A number of deformed porphyry and vein type deposits occur in the Mitchell-Sulphurets area. These deposits are characterized by a strong copper-gold and minor molybdenum association, and spatially occur along the flanks of a horseshoe-shaped trend.

The project consists of three separate gold/copper zones (Kerr, Sulphurets and Mitchell) and are discussed separately below:

### Kerr Zone

The Kerr zone extends approximately 3,000 m in a northerly trend from the crest of a ridge above the southwestern branch of the Sulphurets Glacier down to the lower slopes of a cirque-like basin just above Sulphurets Lake. The zone is a pyrite-rich copper-gold system that occurs in strongly altered and deformed monzonitic intrusions in sedimentary and volcanoclastic rocks. The most important mineralization type is quartz stockwork. The strongest copper-gold mineralization is associated with a core of chlorite-bearing alteration and quartz stockwork.

### Sulphurets Zone

Disseminated copper-gold mineralization in the Sulphurets Gold Zone is centered about a hydrothermal breccia (Breccia Gold Zone) and dyke complex (Raewyn Copper-Gold Zone) representing the higher levels of a copper-gold porphyry system. The combined gold and copper lithogeochemical anomaly associated with the Sulphurets Gold Zone Target has a strike length of 2.5 kilometers by up to one kilometer in width.



## Table of Contents

### Mitchell Zone

The Mitchell zone is situated at the base of the Mitchell Glacier within an erosional window through the major thrust fault complex that crosses the property. The intermediate volcanic rocks exposed in the erosional window are dominated by intense phyllic alteration that diminishes to the west. This conspicuous phyllic alteration is characterized by abundant fine-grained pervasive sericite, 5 to 20% pyrite and quartz stockwork veins that locally exceed 80% of the rock mass. Gold and copper are associated with fine grained sulfide minerals which are disseminated in the rock and in stockwork veins. Gold and copper grades in the drill results are remarkably consistent down hole, along and across strike. This homogeneity of grades and the lack of sharp grade contrasts across the Mitchell zone probably resulted from regional deformation of the mineral system after its deposition.

### Exploration History

Placer gold was discovered in Sulphurets Creek in the 1880s. In 1935, copper mineralization was discovered on Mitchell-Sulphurets Ridge in a location now known as the Main Copper Zone. In 1959, gold-silver mineralization was discovered in the Brucejack Lake area. These showings were subsequently explored with surface and underground exploration in the 1980s and 1990s as three comparatively small high-grade gold-silver zones by Newhawk Gold Mines Ltd. and Lacana Mining Corp.

In 1960, claims on the Sulphurets property were staked by Granduc Mines Ltd. and some independent prospectors. Exploration including diamond drilling was completed over an eight-year period on Sulphurets Gold, Main Copper and Quartz Stockwork Zones by Granduc and the Newmont Mines Joint Venture. From 1971 to 1975 Granduc continued exploration on the Sulphurets Property. From 1980 to 1985, Esso Minerals optioned the Sulphurets Property from Granduc in order to explore for porphyry molybdenum, bulk mineable copper-molybdenum-gold and gold-bearing vein type deposits. In 1985, Esso surrendered its interest in the Sulphurets Property to Granduc.

The Alpha Joint Venture (“Alpha”) staked the Kerr Property in 1982. Anomalous gold values in soils were identified in 1983 by Alpha and based on these results Brinco Limited optioned the Kerr Property in 1984 and funded the next phase of geological mapping, prospecting and geochemical sampling. This work outlined a gold anomaly over one kilometer long. In 1985, Newhawk Gold Mines Ltd. and Lacana Mining Corp. formed a joint venture, and optioned the adjoining Sulphurets Property from Granduc and explored several zones, including conducting diamond drilling.

In 1989, fieldwork completed by Placer Dome included additional diamond drilling to extend the Kerr zone to a strike length of more than 1,600 meters. In 1990, Placer Dome completed a major diamond drill program on the Kerr Property to further define the zone. Placer further completed a major diamond drill program on the Sulphurets Gold Zones and adjoining Kerr zone during the summer of 1992, with the total exploration expenditures incurred by Placer on the KSM property through to year-end 1992 was C\$6.6 million.

## Table of Contents

During 2003 and 2004, under its option to earn up to a 65% interest in the project from the Company, Falconbridge conducted geophysics, surface mapping, surface sampling and target delineation at the project. Falconbridge completed a \$1.3 million drill program on six new targets during the summer of 2005.

In 2006, the Company completed a 9,100 meter core drill program at KSM designed to expand the project's known gold resource by testing for the strike and depth extensions of the Sulphurets zone and by systematically drilling the promising new Mitchell gold zone identified in previous work. In February 2007, the Company announced a 43-101 compliant resource estimate for the Mitchell zone prepared by RMI.

In 2007, the Company completed a 15,300 meter core drill program at KSM designed to expand the Mitchell zone's known gold resource by testing for the strike and depth extensions. In January 2008, RMI completed a 43-101 compliant resource estimate for the Kerr and Sulphurets zones. In February 2008, RMI completed an updated 43-101 compliant resource estimate for the Mitchell zone.

## Mineral Resources

A significant amount of work has been performed on the Kerr and Sulphurets zones by previous owners including Placer Dome. RMI remodeled these zones, as well as the Mitchell zone, using independently constructed gold and copper grade envelopes as the primary constraint for estimating block grades and then tabulated Mineral Resources by using a gold equivalent cutoff grade (which converts copper values to gold values at set prices and estimated metal recoveries).

RMI estimated gold and copper grades using inverse distance weighting methods within gold and copper grade envelopes that were constructed for each zone. The grade models were validated visually and by comparisons with nearest neighbor models. The estimated block grades were classified into indicated and inferred mineral resource categories based on mineralized continuity that was determined both visually and statistically (i.e. variogram ranges) together with the proximity to drill hole data.

RMI estimated gold and copper mineral resources using a gold equivalent cut-off grade of 0.50 grams per tonne. The key parameters used in determining this cut-off included gold and copper prices of US\$650/ounce (70% recovery) and US\$2.00/pound (85% recovery). Mining costs of US\$1.25/tonne and processing, smelting/refining and general and administrative costs of US\$8.20/tonne were also used.

Table of Contents

KSM Indicated Mineral Resources at 0.50 grams per tonne gold equivalent cut-off:

Zone	Indicated Mineral Resources				
	Tonnes (000)	Gold (g/t)	Copper (%)	Gold Ounces (000)	Copper Pounds (millions)
Mitchell	734,163	0.69	0.18	16,287	2,913
Kerr	206,272	0.25	0.45	1,651	2,037
Sulphurets	74,655	0.75	0.24	1,798	388
Total	1,015,090	0.61	0.24	19,736	5,338

Cautionary Note to U.S. Investors concerning estimates of Indicated Resources

This section uses the term “indicated resources”. We advise U.S. investors that while those terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

KSM Inferred Mineral Resources at 0.50 grams per tonne gold equivalent cut-off:

Zone	Inferred Mineral Resources				
	Tonnes (000)	Gold (g/t)	Copper (%)	Gold Ounces (000)	Copper Pounds (millions)
Mitchell	667,421	0.62	0.15	13,304	2,206
Kerr	51,387	0.21	0.45	352	506
Sulphurets	33,636	0.62	0.20	675	147
Total	752,444	0.59	0.18	14,331	2,859

Cautionary Note to U.S. investors concerning estimates of Inferred Resources

This section uses the term “inferred resources”. We advise U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. “Inferred resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

None of the resource can be classified as a Mineral Reserve. Additional exploration work will be required in order to upgrade the resources into reserve categories, and a full feasibility study will be required in order to determine if any of the mineral resources are economic and can be profitably mined.

## Table of Contents

The database for the Kerr zone incorporates 144 core drill holes totaling 26,409 meters. The database for the Sulphurets zone incorporates 60 core drill holes totaling 13,033 meters. The database for the Mitchell zone incorporates 69 core holes totaling 24,824 meters.

### Environmental/Regulatory Information

The KSM Property falls within the Cassiar-Iskut-Stikine Land and Resource Management Plans (LRMP). At this stage, there are no direct Protected or Special Management Areas overlapping the KSM Property. However, as negotiations on recommendations proceed, there may be potential Land Use conflicts arising from future allocations by the Regional Protected Areas Team in the vicinity of the KSM project. In particular, a Conservation-oriented Protection Area and large River Corridor Special Management Area are currently being recommended along the lower two-thirds of the Unuk River. The establishment of this type of Protected Area, although it does not overlap the KSM Property, could impact the approval process of potential development plans and valley access to the project.

The KSM Project falls within the traditional lands of the Tahltan First Nation. The Tahltan have been active community and development partners in other mining projects such as the Golden Bear mine, and Homestake's nearby Eskay Creek Mine.

Placer Dome investigated water drainage at the Kerr and Sulphurets zones and found that the waste rock to be generated by any project would be acid generating. High levels of acidity were observed locally, but further downstream the high volume of glacial meltwater that flowed into the drainage system neutralized the PH levels in the water.

Reclamation and decommissioning activities associated with previous exploration activities have been initiated and almost completed on the KSM Property. The main activities include response to periodic inspections by the British Columbia Ministry of Energy and Mines. Key activities have concentrated on decommissioning the Kerr Camp, the old Western Canadian Camp, general clean-up of old equipment and materials, and reclamation of drill access roads and drill sites. The majority of the tasks have been concluded including the plugging and cementing of water-making drill hole collars. There are a number of outstanding activities that are still required to be administered in accordance with recommendations from the Ministry including additional reclamation on drill access roads and equipment and material clean-up. At the time of the Company's acquisition of the KSM Property, the Ministry estimated \$225,000 of additional reclamation work may be required and the Company deposited this amount under a safekeeping agreement with the Ministry for these obligations. In early 2004, Falconbridge assumed these reclamation obligations and the \$225,000 deposit was returned to the Company. Following Seabridge's acquisition of Falconbridge's option at KSM, in 2007 the Company deposited \$200,000 towards additional reclamation liabilities under a safekeeping agreement with the Ministry.

## Table of Contents

### Current and Planned Work

In December 2007, the Company announced that it had assembled a team of independent consultants to prepare a National Instrument 43-101 Preliminary Assessment for its KSM project. The Preliminary Assessment will establish a project development scenario for KSM including preliminary capital and operating cost estimates.

The Preliminary Assessment is being coordinated by TJS Mining-Met Services and includes a number of independent contractors including: Resource Modeling Inc. (resource estimate), Rescan Environmental Services (environmental baseline and permitting), Klohn Crippen Berger (geotechnical work on tailing, diversions, tunnels and site services), Piteaus Associates Engineering Ltd. (rock mechanics and mining pit slopes), Moose Mountain Technical Services (mine planning, costing and production scheduling), WN Brazier Associates (electrical and power generation plans and economics), TJS Mining-Met Services Inc. (metallurgy and process).

In addition to on-site sampling, selected ore samples and waste samples will be tested in 2008 to determine the environmental parameters and further characterize the metallurgical response of the Mitchell ore zones. The Preliminary Assessment is scheduled for completion in late 2008. As part of their mandate, TJS Mining-Met Services and Rescan Environmental Associates will also facilitate the preparation of a Project Description document, scheduled for completion by April 2008. This document is required by the government to initiate permitting activities for the project.

The Company also is planning to conduct additional exploration activities at KSM during 2008. The Company is planning a 15,000 meter core drill program designed to improve the value of the asset by exploring for higher grade gold zones, upgrading more of the remaining inferred mineral resources to the indicated category and further expanding the Mitchell zone.

### Other Projects

The Company also holds a 100% interest in several other projects, all of which are situated in North America. The Company does not consider any of these other projects material to the overall operations. These projects include Noche Buena (Sonora, Mexico), Quartz Mountain (Oregon), Grassy Mountain (Oregon), Hog Ranch (Nevada) and Red Mountain (British Columbia, Canada). The Company's ownership at Quartz Mountain is subject to a 65% earn-in by Quincy Gold.

The Company also owns a 100% interest in Pacific Intermountain Gold Corporation ("PIGCO"), a private company focused on the acquisition and exploration of early-stage gold and silver properties in Nevada. The Company's ownership interest in PIGCO is subject to a 10% net profits interest held by a previous minority shareholder in PIGCO.

Table of Contents

The Company is not planning any additional work on any of these other projects at this time.

All of the Company's Properties are without known mineral reserves and are at the exploration stage.

## Item 4A. Unresolved Staff Comments

Not applicable

## Item 5. Operating and Financial Review and Prospects

## Overview

The following is a discussion of the results of operations and financial condition of Seabridge Gold Inc. and its subsidiary companies for the years ended December 31, 2007, December 31, 2006 and December 31, 2005. This report should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2007, 2006 and 2005 in Item 17 of this report.

The Company's financial statements are stated in Canadian Dollars (C\$) and are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP), the application of which, in the case of the Company, conforms in all material respects for the periods presented with United States GAAP except as noted in Footnote #11 to its audited annual consolidated financial statements for the year ended December 31, 2007. The value of the U.S. Dollar in relationship to the Canadian Dollar was \$0.99 as of December 31, 2007.

The Company 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 will 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 also acquired a 100% interest in the Noche Buena project in Mexico. As the price of gold has moved higher over the past several years, Seabridge has commenced exploration activities and engineering studies at several of its projects. Seabridge's principal projects include 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 TSX Venture Exchange under the symbol "SEA" and in the United States on the American Stock Exchange under the symbol "SA".

## Selected Annual Information

Summary operating results (\$)	2007	2006	2005
Interest income	823,000	363,000	135,000
Operating costs	6,984,000	5,658,000	2,113,000
Loss	5,542,000	3,300,000	1,157,000
Loss per share	0.15	0.10	0.04
Summary balance sheets (\$)	2007	2006	2005
Current assets	25,698,000	6,855,000	10,896,000
Mineral interests	62,668,000	53,262,000	24,395,000
Total assets	89,862,000	61,244,000	37,085,000

Total long-term liabilities	2,436,000	1,530,000	1,407,000
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Table of Contents

The Company has since inception financed its activities through the distribution of equity capital. The Company anticipates having to raise additional funds by equity issuance in the next several years, as all of the Company's properties are at the exploration stage. The timing of such offerings is dependent upon the success of the Company's exploration programs, the ability to attract joint-venture partners, as well as the general economic climate.

## Part A. Results of Operations

## Year Ended December 31, 2007 Compared to Year Ended December 31, 2006

The net loss for the year ended December 31, 2007 was \$5,542,000 or \$0.15 per share compared to a net loss of \$3,300,000 or \$0.10 per share for 2006. For both years, reported losses were reduced due to the recognition of income tax recoveries (\$620,000 in 2007 and \$1,906,000 in 2006) relating to the renouncing of Canadian Exploration Expenses to the investors of flow-through financings. The Company's interest income from cash investments was up considerably at \$823,000 compared with \$363,000 in 2006 with higher cash balances resulting primarily from the exercise of share purchase warrants for proceeds of \$27 million. Corporate and general expenses were higher in the 2007 period due to activity levels, bonus payments and stock option compensation expenses of \$2,830,000 (2006 - \$1,979,000), resulting mainly from the vesting of stock options granted in 2006 due to the increase in the Company's share price. At December 31, 2006, the Company wrote down the value of its investment in Atlas Precious Metals Inc. amounting to \$749,000 as that company was not able to secure financing due to perceived political risks in the jurisdiction where its main asset was located.

## Year Ended December 31, 2006 Compared to Year Ended December 31, 2005

The net loss for the year ended December 31, 2006 was \$3,300,000 or \$0.10 per share compared to a net loss of \$1,157,000 or \$0.04 per share for 2005. For both years, reported losses were less due to the recognition of income tax recoveries (\$1,906,000 in 2006 and \$821,000 in 2005) relating to the renouncing of Canadian Exploration Expenses to the investors of flow-through financings. The Company's interest income from cash investments was up considerably at \$363,000 compared with \$135,000 in 2005 with higher cash balances to invest from financings and higher interest rates compared to 2005. Corporate and general expenses were higher in the 2006 period due to stock option compensation expenses of \$1,979,000 (2005 - \$361,000), resulting mainly from one third of the options granted early in 2006 vesting due to the significant increase in the Company's share price, increased management compensation, higher investor relations expenses, mineral property search activities and stock exchange and other regulatory fees, and a loss on foreign exchange of \$161,000 as funds were accumulated to acquire the Noche Buena property. At December 31, 2006, the Company wrote down the value of its investment in Atlas Precious Metals Inc. amounting to \$749,000 as that company had not been able to secure financing due to perceived political risks in the jurisdiction where its main asset is located.

## Quarterly Information

Selected financial information for each of the last eight quarters ended December 31, 2007 is as follows (unaudited):

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

  

	4th Quarter Ended December 31, 2006	3rd Quarter Ended September 30, 2006	2nd Quarter Ended June 30, 2006	1st Quarter Ended March 31, 2006
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Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Income (loss) for period	\$ (1,598,000)	\$ (1,878,000)	\$ (1,134,000)	\$ 1,310,000
Income (loss) per share	\$ (0.05)	\$ (0.06)	\$ (0.03)	\$ 0.04

43

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## Table of Contents

The loss in the second and third quarters of 2007 and the third quarter of 2006 were higher than other quarters due to the stock option compensation expense for the vesting of two-tiered stock options. The loss in the fourth quarter of 2006 was higher due to the write-down of an investment amounting to \$749,000.

The income for the first quarter in 2006 was due to the recognition of income tax recoveries relating to the renouncing of Canadian Exploration Expenses to the investors of the flow-through financings completed in 2005.

### Mineral Interest Activities

During the year ended December 31, 2007, the Company incurred net expenditures of \$9,406,000 on mineral interests compared to \$28,867,000 in the year ended December 31, 2006. In 2007, expenditures were mainly for exploration drilling programs at the KSM, Noche Buena and the Golden Arrow in Nevada (part of the Pacific Intermountain property group) projects. In addition in 2007, a new 13.1 million ounce inferred gold mineral resource estimate was completed for the Mitchell zone of the KSM project and engineering and metallurgical studies were undertaken at the KSM and Courageous Lake projects. At Courageous Lake, the 2006 and 2007 work and new mineral resource will be used to complete a revised Preliminary Economic Assessment (“PEA”) and engineering studies in 2008.

In the 2006 year, almost \$15 million of the costs were for the deemed value of the shares and warrants issued to acquire the KSM project and an additional \$4.9 million was paid in cash for the acquisition of the Noche Buena project in Mexico. Exploration expenditures incurred in the 2006 period included \$4,553,000 at the Courageous Lake project where drilling programs have helped expand the gold mineral resource, and \$3,656,000 for drilling on the Kerr-Sulphurets project.

For 2008, at KSM, another drilling program is planned to expand the zone and upgrade mineral resources. It is planned to complete a Preliminary Economic Assessment on this project by year end. In Nevada, 2008 exploration activities will include drilling on the Four-Mile Basin project.

### Part B. Liquidity and Capital Resources

The ability of the Company to successfully acquire additional advanced-stage gold projects or to advance the projects already acquired is conditional on its ability to secure financing when required. The Company proposes to meet any additional cash requirements through equity financings. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times required or desired by the Company or will not be dilutive to existing shareholders.

During 2008, 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. In addition, it will seek to sell off its other properties, initially, Noche Buena and Red Mountain.

### Year Ended December 31, 2007

During 2008, 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. In addition, it will seek to sell off its other properties, initially, Noche Buena and Red Mountain.

The Company’s working capital position, at December 31, 2007, was \$25,055,000 up from \$6,420,000 at the end of 2006. In 2007, the two million share purchase warrants issued as part of the KSM project acquisition in 2006 were exercised for proceeds of \$27 million. In addition, during 2007 \$4,327,000, (2006 - \$585,000) was received from the exercise of stock options. In 2006, two private placement financings were completed which netted \$12,008,000. The

increase in share capital in 2007 was used for expenditures on exploration and operating costs.

Cash and short-term deposits at December 31, 2007 totaled \$24,942,000, up from \$5,786,000 at December 31, 2006. Operations activities used \$3,446,000 in 2007 compared to \$2,330,000 in the prior year due to increased compensation costs, investor activities and corporate costs. Cash expenditures on Mineral Interests were \$8,351,000 compared to the \$14,571,000 cash expenditures in 2006.

Table of Contents

The Company's cash position at December 31, 2007 is sufficient to undertake planned exploration and corporate activities for 2008 and 2009.

## Contractual Obligations

(\$,000)	Total	Payments due by period			
		2008	2009-11	2012-13	After 2013
Mineral interests	8,283	1,069	3,530	2,456	1,228
Reclamation liabilities	1,849	24	-	162	1,663
Business premises operating lease	438	101	303	34	-
	10,570	1,194	3,833	2,652	2,891

## US GAAP Reconciliation with Canadian GAAP

Under U.S. GAAP, all expenditures relating to mineral interests prior to the completion of a definitive feasibility study, which establishes proven and probable reserves, must be expensed as incurred. Under Canadian GAAP, these amounts can be deferred. As such, under US GAAP, these amounts and related future tax liabilities are not recorded on the balance sheets.

Reference is made to Seabridge's audited annual consolidated financial statements for the year ended December 31, 2007, particularly Note #11, Reconciliation to United States Generally Accepted Accounting Principles, for the quantification of the differences.

## Variation in Operating Results

The Company derives interest income on its bank deposits, which depend on the Company's ability to raise funds, the amount of the deposits and interest rates.

Management periodically, through the exploration process, reviews results both internally and externally through resource related professionals. Decisions to abandon, reduce or expand exploration efforts is based upon many factors including general and specific assessments of mineral deposits, the likelihood of increasing or decreasing those deposits, land costs, estimates of future mineral prices, potential extraction methods and costs, the likelihood of positive or negative changes to the environment, permitting, taxation, labor and capital costs. There cannot be a pre-determined hold period for any property as geological or economic circumstances render each property unique.

Under United States GAAP when flow-through shares are issued, the proceeds are allocated between the issue of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount that the investor pays for the shares. The shareholders' equity is reduced and a liability is recognized for this difference which amounted to \$393,250 for the flow-through shares issued in 2006. The liability is reversed when the tax benefits are renounced and a deferred tax liability recognized at that time. Income tax expense is the difference between the amount of the deferred tax liability and the liability recognized on issuance.

## Table of Contents

The Company's financial statements are stated in Canadian Dollars (CDN\$) and are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP), the application of which, in the case of the Company, conforms in all material respects for the periods presented with United States GAAP except as noted in Note 11 to the 2007 audited financial statements. The value of the Canadian Dollar in relationship to the US Dollar was \$1.01 as of December 31, 2007.

## Outlook

During 2008, 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. In addition, it will seek to sell off its other properties, initially, Noche Buena and Red Mountain while at the same time ensuring that funding is available for its project holding costs and other corporate requirements.

## Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at December 31, 2007, the Company's management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators and has concluded that such controls and procedures are effective.

## Internal Controls Over Financial Reporting

The Company's CEO and the CFO are responsible for establishing and maintaining the Company's internal controls over financial reporting in accordance with Multilateral Instrument 52-109 of the Canadian Securities Administrators. These controls have been established as at December 31, 2007. There have been no changes in these controls during fiscal year 2007 which have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

## Shares Issued and Outstanding

At March 19, 2008, the issued and outstanding common shares of the Company totaled 37,298,185. In addition, there were 1,192,300 stock options granted and outstanding (of which 140,000 were unexercisable). On a fully diluted basis there would be 38,490,485 common shares issued and outstanding.

In addition to the 1,192,300 options outstanding, there were 150,000 options granted which are subject to an increase in the share option plan and the approval of shareholders at the next meeting of shareholders.

## Table of Contents

### Related Party Transactions

During the year ended December 31, 2007, a private company controlled by a director of the Company was paid \$33,300 (2006 - \$33,900) for technical services provided by his company related to mineral properties; a private company controlled by a second director was paid \$360,000 (2006 - \$144,000) for corporate consulting services rendered; a third director was paid \$17,300 (2006 - \$18,000) for geological consulting and outstanding accounts payable to directors at year end were \$94,000. 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.

### Recently Issued Accounting Pronouncements

On January 1, 2007, the Company adopted the following Canadian Institute of Chartered Accountants (CICA) accounting standards which were effective for fiscal years beginning on or after October 1, 2006: Section 1530 Comprehensive Income; Section 3855 Financial Instruments – Recognition and Measurement; Section 3861 “Financial Instruments – Presentation and Disclosure”; and, Section 3865 – Hedges”. These sections require certain financial instruments and hedge positions to be recorded at fair value. The standards also introduce the concept of comprehensive income and accumulated comprehensive income. Adoption of these standards is generally on a retrospective basis without restatement.

Under the new standards, financial instruments designated as “held-for-trading” and “available-for-sale” will be carried at their fair value while financial instruments such as “loans and receivables”, “financial liabilities” and those classified as “held-to-maturity” will be carried at their amortized cost. All derivatives will be carried on the consolidated balance sheets at their fair value, including derivatives designated as hedges. Unrealized gains and losses on effective cash flow hedges will be carried in “Accumulated Comprehensive Income”, a component of “Shareholders’ Equity” on the consolidated balance sheets, while any gains or losses on ineffective hedges will be recognized in earnings.

### New Pronouncements Not Yet Adopted

The Canadian Institute of Chartered Accountants (“CICA”) issued the following accounting standards effective for the Company’s fiscal year beginning on January 1, 2008:

#### Capital Disclosures

In December 2006, the CICA issued Handbook Section 1535, Capital Disclosures, which establishes standards for disclosing information about an entity’s capital and how it is managed. The entity’s disclosure should include information about its objectives, policies and processes for managing capital and disclose whether or not it has complied and the consequences of non-compliance with any capital requirements to which it is subject. The Company is currently evaluating the impact of the adoption of this section on the consolidated financial statements.

#### Financial Instruments – Disclosures and Financial Instruments - Presentation

In December 2006, the CICA issued Handbook Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments – Presentation. Section 3862 modifies the disclosure requirements of Section 3861 Financial Instruments - Disclosures and Presentation including required disclosure of the assessment of the significance of financial instruments for an entity’s financial position and performance; and of the extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks. Section 3863 carries forward the presentation related requirements of Section 3861. The Company is currently evaluating the impact of the adoption of Section 3862, while it does not expect the adoption of 3863 to have a significant effect on the consolidated

financial statements.

#### Inventories

In March 2007, the CICA issued Handbook Section 3031 Inventories, which replaces Section 3030 Inventories. Under the new section, inventories are required to be measured at the “lower of cost and net realizable value, which is different from the existing guidance of the “lower of cost and market value”. The new section contains guidance on the determination of cost and also requires the reversal of any write-downs previously recognized, if applicable. Certain minimum disclosures are required, including the accounting policies used, carrying amounts, amounts recognized as an expense, write-downs, and the amount of any reversal of any write-downs recognized as a reduction in expenses. The Company evaluated the impact of the adoption of this new section on the consolidated financial statements and concluded the impact will not be material.

Table of Contents

## Part C. Research and Development

The Company conducts no Research and Development activities, nor is it dependent upon any patents or intellectual property licenses.

## Part D. Trend Information

The Company knows of no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's operations or financial condition.

## PART E: Off Balance Sheet Disclosure

Not Applicable

## PART F: Contractual Obligations

On-going contractual obligations of the Company are limited to property holding costs and reclamation liabilities. Although property holding costs are at the discretion of the Company, if payments are not made the Company will lose their rights to the project. Table No. 4 provides details of the Company's future contractual obligations which are required to be satisfied in order to keep its projects in good standing.

Table No. 4  
Contractual Obligations (\$000's)

	Total	Payments due by period			
		2008	2009-11	2012-13	After 2013
Mineral interests	8,283	1,069	3,530	2,456	1,228
Reclamation liabilities	1,849	24	-	162	1,663
Business premises operating lease	438	101	303	34	-
	10,570	1,194	3,833	2,652	2,891

Amounts shown for mineral interests include option payments and mineral lease payments that are required to maintain the Company's interest in the mineral projects.

## PART G: SAFE HARBOR

See "Forward Looking Statements" in Item 3D.



Table of Contents

## Item 6. Directors, Senior Management and Employees

## A. Directors and Senior Management

Table No. 5 lists as of March 20, 2008 the names of the Directors of the Company. The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual General Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company. All Directors are citizens of Canada, except, William Calhoun, Eliseo Gonzalez-Urien and Louis Fox, all of whom are citizens of the United States. Frederick Banfield and Rudi Fronk are citizens of both Canada and the United States.

Table No. 5  
Directors

Name	Age	Date First Elected/Appointed
James Anthony	60	October 1999
Rudi Fronk	49	October 1999
Frederick Banfield (1,3)	65	October 1999
William Calhoun (1,2,3)	75	February 2000
Thomas Dawson (1,3)	71	January 2006
Louis Fox (2,3)	65	January 2000
Eliseo Gonzalez-Urien (2,3)	67	January 2006

(1) Member of Audit Committee.

(2) Member of Compensation Committee

(3) Member of Corporate Governance and Nominating Committee

Table No. 6 lists, as of March 20, 2008 the names of the Executive Officers of the Company. The Executive Officers serve at the pleasure of the Board of Directors. Mr. Threlkeld is a citizen of the United States. Messrs. Anthony and Chisholm are citizens of Canada. Mr. Fronk is a citizen of both Canada and the United States.

Table No. 6  
Executive Officers

Name	Position	Age	Date of Appointment
James Anthony	Chairman	60	October 1999
Rudi Fronk	President and CEO	49	October 1999
William Threlkeld	Senior Vice President	53	November 2001
Roderick Chisholm	Secretary and CFO	58	August 2004

Table of Contents

James Anthony is a financier and corporate strategist specializing in growth companies. He served as a senior policy advisor to a number of cabinet ministers and a premier before establishing a corporate strategy consultancy. He advised a number of major corporations on their positioning within their political and financial environments and lectured at the Niagara Institute. Mr. Anthony has been President of J.S. Anthony & Company, a private investment company, since 1975 and was the past chairman of the board of Greenstone Resources Ltd. Mr. Anthony has been a Director of Seabridge since 1999 and as Chairman since 2001. Mr. Anthony spends approximately 50% of his time on Seabridge business.

Rudi Fronk has over 20 years experience in the gold industry, including serving as a director and senior officer of several publicly traded gold companies. He was appointed President, CEO and a Director of Seabridge in 1999 and has since that time continuously served in those roles. Mr. Fronk is the past President and Director of Greenstone Resources Ltd. from 1994 to 1999. Prior to 1994, he held positions with Columbia Resources (1992-1993), DRX Inc. (1989-1992), Behre Dolbear & Company (1986-1989), Riverside Associates (1984-1986), Phibro-Salomon (1982-1983), and Amax (1980). Mr. Fronk is a graduate of Columbia University from which he holds a Bachelor of Science in Mining Engineering and a Master of Science in Mineral Economics. Mr. Fronk spends 100% of his time on Seabridge business.

Frederick Banfield is the Founder of Mintec since 1970. Mintec is a consulting and software company that provides consulting services to the mineral industry. Mr. Banfield has also served as an independent reserves auditor and mine planning advisor gold mining organizations with respect to projects in the United States, Canada, Africa, Australia and Latin America. Mr. Banfield holds an engineering degree from the Colorado School of Mines. Mr. Banfield spends less than 10% of his time on Seabridge business.

William Calhoun is President of W.M. Calhoun Inc., an independent consultant that provides consulting services to the minerals industry in the areas of mining operations, mine planning, mine design, ore reserves and environmental issues. From 1972 through 1981, Mr. Calhoun served as President and CEO of Day Mines, Inc., an American Stock Exchange Company with mining operations in the western United States that was acquired by Hecla Mining. Mr. Calhoun's extensive public service record includes membership on President Ronald Reagan's Strategic Minerals Task Force, President Gerald Ford's Inflation Task Force; Director of the Silver Institute; Trustee of the Northwest Mining Association; Chairman of the Mining Advisors Committee to the Governors of Washington and Idaho; President of the Idaho Mining Association; Chairman of Advisory Committee of Idaho College of Mines; and numerous other civil and professional organizations. Mr. Calhoun has a Bachelor of Science degree in Mining/Geology from the University of Texas at El Paso. Mr. Calhoun spends less than 10% of his time on Seabridge business.

Thomas Dawson has been a Chartered Accountant since 1961. He is a retired senior audit and accounting partner with 40 years of experience at Deloitte & Touche LLP, Chartered Accountants. He received his B.Comm. from Loyola College (now Concordia University), Canada, in 1959. Mr. Dawson is also a director of WFI Industries Ltd., Energy Split Corp., Energy Split II Corp., R Split II Corp. and Anvil Mining Limited. Mr. Dawson spends less than 10% of his time on Seabridge business.

Table of Contents

Louis Fox has more than 25 years experience in precious metals trading, merchanting and merchant banking activities. From 1984 to 1999, Mr. Fox was a Senior Vice President of Gerald Metals, Inc., commodity trading, refining and merchant banking firm, in Stamford, Connecticut. At Gerald Metals, Mr. Fox was the head of the company's worldwide precious metals group. Prior to Gerald Metals, from 1974 to 1981, Mr. Fox was a Vice President of J. Aron & Co., a precious metals trading firm. Following the acquisition of J. Aron & Co. by Goldman Sachs in 1981, Mr. Fox was a Vice President of Goldman Sachs through 1984. Mr. Fox holds a B.A. from the University of Pittsburgh and a J.D. from the Boston University Law School. Mr. Fox spends less than 10% of his time on Seabridge business.

Eliseo Gonzalez-Urien has over 30 years of experience in the mining industry. From 1989 through 2001 Mr. Gonzalez-Urien held various executive positions with Placer Dome Inc. including Senior Vice President of the parent company and President of Placer Dome Exploration Inc. During this period he was charged with ultimate responsibility for Placer Dome's worldwide exploration activities. Prior to Placer Dome, Mr. Gonzalez-Urien held senior positions with BHP-Utah Inc. and Noranda. He holds a degree in Geology from the University of Santiago, Chile, followed by post graduate studies in Geology at the University of California, Berkley. Mr. Gonzalez-Urien spends less than 10% of his time on Seabridge business.

William Threlkeld has served as Senior Vice President of Seabridge since November 2001, and from 2000 to 2001 acted as a technical consultant to the Company. From 1997 to 2000, he was Vice President, Exploration for Greenstone Resources Ltd. and was responsible for resource delineation on three Central American gold deposits and development of an organization and strategy to identify new mineral investments. From 1991 to 1997, Mr. Threlkeld was Exploration Manager and Vice President of Placer Dome and was responsible for all of Placer Dome's exploration activity and investment in Latin America. Mr. Threlkeld obtained his MSc in Economic Geology from the University of Western Ontario. Mr. Threlkeld spends 100% of his time on Seabridge business.

Roderick Chisholm was appointed Secretary of Seabridge in June 2003 and Chief Financial Officer of Seabridge in August 2004. Since 1981, Mr. Chisholm has been a financial officer and corporate secretary of a number of Canadian junior exploration companies. Prior thereto he was an audit manager with Deloitte & Touche LLP, Chartered Accountants. Mr. Chisholm is a Chartered Accountant and spends approximately 80% of his time on Seabridge business.

Other than as set forth below, no Director and/or Executive Officer has been the subject of any order, judgment, or decree of any governmental agency or administrator or of any court or competent jurisdiction, revoking or suspending for cause any license, permit or other authority of such person or of any corporation of which he is a Director and/or

Table of Contents

Executive Officer, to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining or enjoining any such person or any corporation of which he is an officer or director from engaging in or continuing any conduct, practice, or employment in connection with the purchase or sale of securities, or convicting such person of any felony or misdemeanor involving a security or any aspect of the securities business or of theft or of any felony. Mr. Chisholm served as Secretary-Treasurer of Canuc Resources Corp. (CDN-OTC: CANC) in 2000 when a cease trade order was issued halting all trading of the common shares of Canuc due to failure to file financial statements. The cease trade order was rescinded in April 2007.

There are no arrangements or understandings between any two or more Directors or Executive Officers, pursuant to which he was selected as a Director or Executive Officer. There are no family relationships between any Directors or Executive Officers.

**B. COMPENSATION**

Commencing in July 2003, the Company commenced to compensate directors in cash in addition to stock option grants previously granted for their services in their capacity as directors and for committee participation. In 2007, unrelated directors received US\$20,000 per annum, the Chairman of the Audit Committee received an additional US\$7,500 per annum and the chairman of the Compensation Committee received US\$2,500 per annum, all paid quarterly in arrears.

During 2003, the Company adopted a formalized stock option plan, approved by its shareholders, for the granting of incentive stock options. To assist the Company in compensating, attracting, retaining and motivating personnel, the Company grants stock options to Directors, Executive Officers and employees; refer to ITEM #10, "Stock Options".

Table of Contents

Table No. 7 sets forth the compensation paid to the Company's executive officers and members of its administrative body during the last three fiscal years.

Table No. 7  
Summary Compensation Table  
All Figures in Canadian Dollars unless otherwise noted

Name	Year	Salary	Options Granted (1)	Other Compensation (5)
Rudi Fronk, President, CEO and Director	2007	\$300,000	Nil	\$450,000
	2006	\$300,000	250,000	Nil
	2005	\$250,000	Nil	\$7,750
James Anthony, Chairman	2007	Nil	Nil	\$360,000
	2006	Nil	125,000	\$144,000
	2005	Nil	Nil	\$120,000
Frederick Banfield, Director	2007	Nil	Nil	US\$20,000
	2006	Nil	100,000	US\$20,000
	2005	Nil	Nil	US\$20,000
William Calhoun, Director	2007	Nil	Nil	US\$21,500
	2006	Nil	100,000	US\$21,250
	2005	Nil	Nil	US\$20,000
Thomas Dawson (2)	2007	Nil	Nil	US\$27,500
	2006	Nil	50,000	US\$27,500
Henry Fenig (3), Director	2007	Nil	Nil	US\$11,250
	2006	Nil	100,000	US\$21,250
	2005	Nil	Nil	US\$20,000
Louis Fox, Director	2007	Nil	Nil	US\$20,000
	2006	Nil	100,000	US\$20,000
	2005	Nil	Nil	US\$20,000
Eliseo Gonzalez-Urien (2)	2007	Nil	Nil	US\$37,250
	2006	Nil	50,000	US\$36,000
Roderick Chisholm Secretary and CFO	2007	Nil	60,000 (4)	\$201,501
	2006	Nil	Nil	\$240,000
	2005	Nil	Nil	\$145,000
William Threlkeld, Senior VP	2007	US\$150,000	60,000 (4)	US\$75,000
	2006	US\$120,000	Nil	US\$120,000
	2005	US\$120,000	50,000	US\$25,000

(1) The stock options were granted under the stock option plans which are described under "Item 10: Stock Options". The options stated above were granted at the market price for a period of five years with exercise prices as follows: 2007 - \$29.60, 2006 - \$10.56 and 2005 - \$4.00.

(2) Messrs. Dawson and Gonzalez-Urien were appointed directors in January 2006.

(3) Mr. Fenig stepped down as a director at the June 2007 shareholders meeting.

(4) Messrs. Chisholm's and Threlkeld's 2007 stock option grants are subject to shareholder approval which will be sought at the 2008 shareholders' meeting.

(5) The Other Compensation amounts include consulting fees, bonuses and directors fees.

No funds were set aside or accrued by the Company during Fiscal 2007 to provide pension, retirement or similar benefits for Directors or Executive Officers.

Table of Contents

C. Board Practices

Mandate of the Board

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

- (a) representing the interests of the shareholders in all significant decisions affecting the Company and ensuring that shareholders are kept informed of developments affecting their Company;
- (b) reviewing and approving corporate objectives, goals and strategies with a view to enhancing shareholder value;
- (c) reviewing and approving the Company's operating plans and monitoring performance;
- (d) reviewing significant operational and financial issues as they arise and providing direction to management on these matters;
- (e) acting diligently to ensure that the Company fulfils its legal and regulatory requirements;
- (f) evaluating the effectiveness of senior management and establishing their compensation; and
- (g) evaluating whether or not directors receive the information they require to perform their duties as directors.

The frequency of the meetings of the Board of directors as well as the nature of agenda items change depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces.

Composition of the Board

The TSE Report recommends that a Board of directors be constituted with a majority of individuals who qualify as "unrelated directors". The TSE Report defines an "unrelated director" as a director who is independent of management and free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with that director's ability to act with a view to the best interest of the Company, other than an interest arising from shareholding. The Company does not have a "significant" shareholder, defined in the TSE Report as a shareholder with the ability to exercise a majority of votes for the election of directors.

## Table of Contents

The directors have examined the relevant definitions in the TSE Report and have individually considered their respective interests in and relationship with the Company. As a consequence, the Board has concluded that five of the Board's present seven members are "unrelated" within the meaning of the TSE Report: Frederick A. Banfield; William Calhoun; Thomas C. Dawson; Eliseo Gonzalez-Urien; and Louis J. Fox. The Corporate Governance Committee is responsible for reviewing and recommending a suitable approach for the Company to assess director performance.

The Board considers seven directors to be an appropriate size for the Board at the current time. The Board believes that the inclusion of the President and Chief Executive Officer, Rudi P. Fronk, on the Company's Board of directors is useful to the effective governance of the Company. Each director brings to the Board a specific area of expertise which is instrumental in creating a Board which is able to implement the Company's strategy effectively.

At present, in addition to those matters which must by law be approved by the Board, management seeks Board approval for any transaction which is out of the ordinary course of business or could be considered to be material to the business of the Company.

### Committees

The Board has assigned specific governance responsibilities to three committees. A description of the mandate of each committee follows:

#### Audit Committee

The following constitutes the Charter of the Audit Committee.

The Audit Committee of Seabridge is a committee of the Board composed entirely of three outside and unrelated directors. Its overall goal is to ensure that the Company adopts and follows a policy of full, plain, true and timely disclosure of material financial information to its stakeholders. It reviews all material matters affecting the risks and financial well being of the Company and is a key part of the Corporate Governance system. The Committee is mandated to satisfy the requirements of the Canada Business Corporations Act.

The Audit Committee meets at a minimum, quarterly and on such other occasions as required. The auditors are invited to attend the meetings called to discuss the annual audit plan and the final review of the year-end financial statements. At least annually, the Committee meets with the auditors to review management's performance relating to financial reporting matters.

Specifically, the Committee:

- (a) reviews the annual statements of the Company and makes recommendations to the Board with respect to these statements,
- (b) reviews the quarterly financial statements and makes recommendations to the Board regarding these financial statements,



Table of Contents

- (c) reviews and approves financial information in all prospectuses, offering circulars, and similar documents,
- (d) oversees the adequacy and accuracy of the Company's financial disclosure policies and obligations,
- (e) reviews significant accounting policies and estimates,
- (f) monitors the Company's internal controls, financial systems and procedures, and management information systems,
- (g) oversees management's reporting on internal control,
- (h) meets with the Company's auditors to review management's financial stewardship and to review their recommendations to management, and
- (i) recommends the appointment of auditors and reviews the terms of the audit engagement and the appropriateness of the proposed fee,
- (j) reviews through discussions or by way of a formal document the plan followed for the annual audit with the auditors and management,
- (k) evaluates the performance of the auditors,
- (l) confirms the independence of auditors,
- (m) establishes procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters, and
- (n) establishes procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is presently composed of all five "un-related" and outside directors. This Committee has prepared and obtained approval by the Board of written policies on Fair Disclosure, Insider Trading and Conflict of Interest. Reporting to the full Board of Directors, this Committee is mandated to:

1. Prepare and recommend to the Board on an annual basis, proposed goals for the Company and its CEO and a mandate for the CEO;
2. Ensure that the Board is adequately informed of developments and issues within the Company such that it is able to fulfill its duties and responsibilities;
3. Ensure that the Board reviews and approves all major corporate decisions which could reasonably be expected to affect shareholder value;
4. Assess the effectiveness of the Board as a whole, of each of the directors and of each committee of directors and consider the impact that the number of directors has on effectiveness of the Board.

Table of Contents

5. Conduct an annual discussion among non-management directors on the role and effectiveness of independent directors;
6. Ensure that each Board Committee has a clear, written mandate and is performing diligently the tasks necessary to limit Board liability;
7. Oversee the administration of the Company's Fair Disclosure Policy and Insider Trading Policy;
8. Oversee an annual review of each director's business interests in accordance with the Company's Conflict of Interest Policy to ascertain which conflicts might exist with respect to the interests of Seabridge and how such conflicts, if any, are to be managed so as to ensure the independence of directors and to protect the interests of Seabridge and its shareholders;
9. Review disclosure of corporate governance matters to ensure that shareholders are adequately informed of the Board's procedures for governance on their behalf.

Compensation Committee

The Compensation Committee is presently composed of three directors, all of which are outside and unrelated directors. Reporting to the full Board of Directors, this Committee is mandated to:

1. On an annual basis, review the total compensation of the President and Vice President(s) against their performance, mandates and goals and make recommendations on their compensation to the Board;
2. Review, approve and recommend to the Board for confirmation all grants of options to all directors and employees; ensure the proper administration of the Company's options program in conformity with the Company's Option Plan;
3. Review on an annual basis the Company's overall hiring and compensation practices with reference to industry norms.

None of the members of the Committee have any indebtedness to the Company or any of its subsidiaries nor have they any material interest, or have any associates or affiliates which have any material interest, direct or indirect, in any actual or proposed transaction in the last financial year which has materially affected or would materially affect the Company or any of its subsidiaries.

The compensation of the Company's executive officers is determined by the Board of Directors upon recommendations made by the Committee. The Committee met twice during the last financial year. The Company's executive compensation program consists of an annual base salary and a longer-term component consisting of stock options, however, the Committee may also recommend a bonus for management or its directors in the future.

Table of Contents

## D. Employees

The Company currently has 6 employees and 4 executive officers.

## E. Share Ownership

The Company's shares are publicly held. The Company is not controlled by another corporation as described below.

Table No. 8 lists, as of March 20, 2008, Directors and Executive Officers who beneficially own the Company's voting securities and the amount of the Company's voting securities owned by the Directors and Executive Officers as a group.

Table No. 8  
Shareholdings of Directors and Executive Officers

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common	James Anthony (1)	1,353,125	3.62%
Common	Rudi Fronk (2)	1,300,000	3.46%
Common	Frederick Banfield (3)	245,000	0.66%
Common	William Calhoun (4)	196,667	0.53%
Common	Thomas Dawson (5)	71,000	0.19%
Common	Louis Fox (6)	325,000	0.87%
Common	Eliseo Gonzalez-Urien	47,000	0.13%
Common	William Threlkeld (7)	375,000	1.00%
Common	Roderick Chisholm (8)	242,600	0.65%
Total Directors/Officers (9)		4,155,392	10.84%

(1) Of these shares 125,000 represent currently exercisable share purchase options; and 543,334 shares are held indirectly.

(2) Of these shares 250,000 represent currently exercisable share purchase options

(3) Of these shares 100,000 represent currently exercisable share purchase options

(4) Of these shares 100,000 represent currently exercisable share purchase options

(5) Of these shares 50,000 represent currently exercisable share purchase options

(6) Of these shares 100,000 represent currently exercisable share purchase options

(7) Of these shares 50,000 represent exercisable share purchase options and 60,000 represent share purchase options subject to shareholder approval, 40,000 of which are subject to certain vesting requirements

(8) Of these shares 130,000 represent exercisable share purchase options and 60,000 represent share purchase options subject to shareholder approval, 40,000 of which are subject to certain vesting requirements

(9) See notes (1) through (8)

58

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Table of Contents

Percent of Class number is based on 37,298,885 shares outstanding as of March 20, 2008 and Stock options held by each beneficial holder.

Based upon information provided by the Company's transfer agent, as of March 20, 2008, approximately 10.6 % of the Company's common shares were held of record by US residents.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

As of March 20, 2008, Pan Atlantic Bank and Trust Ltd. owned 6,489,852 shares of the Company representing 17.4% of the outstanding shares of the Company and FCMI Financial Corporation, Pan Atlantic's sole shareholder owned 180,000 shares representing 0.4% of the outstanding shares of the Company. In addition, as of March 20, 2008, principals of, and funds managed by the Friedberg Mercantile Group Ltd. owned 270,632 shares of the Company representing 1% of the Company. Pan Atlantic Bank and Trust Ltd. is ultimately beneficially owned and controlled by Albert D. Friedberg and members of his immediate family. Albert D. Friedberg is the President and a director of Friedberg Mercantile Group Ltd. The Company is not aware of any other person/company who beneficially owns 5% or more of the Company's voting securities.

No shareholders of the Company have different voting rights from any other shareholder.

There are no arrangements known to the Company, the operation of which as of a subsequent date, could result in a change of control of the Company.

B. Interest of Management in Certain Transaction

During the fiscal year ended December 31, 2007, Mintec, Inc., a private company controlled by Fred Banfield, a Director of Seabridge, was paid \$33,300 (2006 - \$33,900, 2005 - \$39,000) for technical services provided by his company related to the mineral properties. These technical services were for consulting and computer software for geologic modeling, reserve estimation, mine planning and database management. The Company negotiated the agreement at arms length, after the Company reviewed all available software in the marketplace and determined that the agreement negotiated with Mintec was the most cost effective available.

Pan Atlantic Bank and Trust Ltd. has been an investor in two convertible debt offerings and two private placements of common shares by Seabridge. Pan Atlantic Bank and Trust Ltd.'s sole shareholder is FCMI Financial Corporation.

None of the Company's interests in its mineral properties were acquired from affiliates.

Table of Contents

C. Interests of Experts and Counsel

Not applicable

Item 8. Financial Information

The financial statements as required under ITEM #8 are attached hereto and found immediately following the text of this Annual Report. The audit report of KPMG LLP, Chartered Accountants, Licensed Public Accountants, is included herein immediately preceding the financial statements and schedules.

There have been no undisclosed significant changes of financial condition since the most recent financial statements dated December 31, 2007.

Item 9. The Offer and Listing

A. Offer and Listing Details

The Company's common shares began trading on the Vancouver Stock Exchange (now the TSX Venture Exchange) in Vancouver, British Columbia, Canada in September 1979. The current stock symbol is "SEA", and the CUSIP number is #811916105.

The Company's common shares began trading on the American Stock Exchange in the United States in April 2004. The current stock symbol is "SA".

Table No. 9 lists the volume of trading and high, low and closing sales prices on the TSX Venture Exchange for the Company's common shares over the disclosed periods for the last 12 fiscal quarters and the last five fiscal years. The Company's common shares commenced trading on the American Stock Exchange on April 20, 2004 and the corresponding trading information is shown in Table No. 9.

Table of Contents

Table No. 9  
Common Share Trading Activity

	TSX Venture Exchange ("SEA") (Canadian Dollars)				American Stock Exchange ("SA") (United States Dollars)			
	Volume	High	Low	Close	Volume	High	Low	Close
<b>Annual Information</b>								
2007	9,372,726	\$39.00	\$12.98	\$29.29	95,565,460	\$39.50	\$11.02	\$29.44
2006	8,767,525	\$17.25	\$9.15	\$16.55	48,816,200	\$15.30	\$8.13	\$14.12
2005	6,202,194	\$12.00	\$2.40	\$11.01	26,737,194	\$10.49	\$1.91	\$9.40
2004	5,228,619	\$6.00	\$2.90	\$4.30	4,596,350	\$4.20	\$2.12	\$3.63
2003	10,919,486	\$5.50	\$1.86	\$5.30	N/A	N/A	N/A	N/A
<b>Quarterly Information</b>								
3 Months Ended								
31-Dec-07	1,775,750	\$39.00	\$23.09	\$29.29	24,899,116	\$39.50	\$23.85	\$29.44
3 Months Ended								
30-Sep-07	2,008,758	\$35.23	\$22.01	\$30.06	40,196,000	\$33.49	\$20.60	\$30.18
3 Months Ended								
30-Jun-07	4,049,104	\$22.10	\$15.50	\$21.67	18,621,148	\$20.94	\$14.31	\$20.51
3 Months Ended								
31-Mar-07	1,539,114	\$20.05	\$12.98	\$16.75	11,849,196	\$17.31	\$11.02	\$14.60
3 Months Ended								
31-Dec-06	1,391,284	\$17.25	\$11.85	\$16.55	11,068,200	\$15.00	\$10.50	\$14.12
3 Months Ended								
30-Sep-06	2,314,143	\$16.91	\$11.50	\$13.95	14,299,800	\$15.30	\$10.21	\$12.53
3 Months Ended								
30-Jun-06	2,932,525	\$13.10	\$9.15	\$13.05	12,451,100	\$11.95	\$8.13	\$11.60
3 Months Ended								
31-Mar-06	2,129,673	\$11.75	\$7.94	\$10.28	10,997,100	\$10.13	\$6.69	\$8.90
<b>Monthly Information</b>								
February 2008	291,400	\$29.48	\$21.52	\$26.64	5,176,508	\$29.27	\$12.24	\$27.18
January 2008	655,900	\$33.09	\$18.60	\$25.03	16,456,979	\$33.55	\$17.75	\$24.95
December 2007	233,883	\$30.45	\$25.00	\$29.29	6,545,821	\$30.49	\$24.89	\$29.44
November 2007	729,143	\$35.16	\$23.09	\$25.37	8,709,295	\$37.65	\$23.85	\$25.33
October 2007	812,724	\$37.98	\$28.31	\$33.84	9,644,000	\$39.50	\$28.57	\$36.10
September 2007	589,807	\$32.89	\$24.54	\$30.06	11,059,500	\$31.84	\$23.00	\$30.18
August 2007	722,267	\$35.23	\$22.01	\$24.70	14,571,900	\$33.49	\$20.60	\$23.42
July 2007	696,684	\$32.24	\$22.75	\$31.15	14,564,600	\$30.25	\$21.00	\$29.21

American Depository Receipts. Not applicable.

Other Securities to be Registered. Not applicable

**B. Plan and Distribution**

Not Applicable

C. Markets

The Company's common shares currently trade on the TSX Venture Exchange under the symbol "SEA" and on the American Stock Exchange under the symbol "SA".

D. Selling Shareholders

Not Applicable

E. Dilution

Not Applicable

61

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Table of Contents

F. Expenses of the Issue

Not Applicable

Item 10. Additional Information

A. Share Capital

Stock Option Plan

During 2003, the Company adopted a formalized stock option plan, approved by its shareholders, for the granting of incentive stock options. To assist the Company in compensating, attracting, retaining and motivating personnel, the Company grants stock options to Directors, Executive Officers and employees. The plan provides for options to be granted at market prices for periods up to five years. For directors and senior management, option grants are subject to a two-tiered vesting policy designed to better align option compensation with the interests of shareholders. Grants to other employees and consultants do not have the two-tiered provision.

The two-tier option grants require a certain share price above the grant date price for 10 successive days for the first third to vest, a higher share price for the second third to vest and a further higher share price for the final third to vest. Once the share price has met the first test, the Company's share price performance must have exceeded the S&P/TSX Global Gold Index by more than 20% over the preceding six months or these options would be cancelled.

B. Memorandum and Articles of Association

Information regarding the Company's Certificate of Incorporation, By-Laws and other charter documents is incorporated by reference to Item 10B to the Company's registration statement on Form 20-F dated February 18, 2004.

C. Material Contracts

The Company considers the following as material contracts, which have been entered into by the Company which are currently in effect:

1. Agreement for the purchase and sale of the Red Mountain Project and Willoughby Joint Venture between Seabridge and North American Metals Corp.
2. Agreement between the Company and Platoro West Incorporated covering the Castle/Black Rock project;
3. Agreement between the Company and Platoro West Incorporated covering the Hog Ranch project;
4. Agreement between the Company and Placer Dome covering the Kerr/Sulphurets project;
5. Agreement between the Company and Atlas covering the Grassy Mountain project;

Table of Contents

6. Agreement between the Company and Quartz Mountain Resources covering the Quartz Mountain project.
7. Agreement between the Company and Noranda Inc. covering the Kerr/Sulphurets project.
8. Agreement between the Company, Newmont Canada and Total Resources covering the Courageous Lake project.
9. Agreement between the Company and Minera Hecla S.A. de C.V. covering the Noche Buena project.

Details and a discussion of each material contract are given in the detailed property section contained in Item 4 of this Annual Report. Copies of these contracts were filed as exhibits to the Company's registration statement on Form 20-F dated February 18, 2004 except #9 which was filed in March 2007.

D. Exchange Controls and Other Limitations Affecting Security Holders

The Company is not aware of any Canadian federal or provincial laws, decrees, or regulations that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-Canadian holders of the common shares. There are no limitations on the right of non-Canadian owners to hold or vote the common shares imposed by Canadian federal or provincial law or by the charter or other constituent documents of the Company.

The Investment Canada Act (the "IC Act") governs acquisitions of Canadian business by a non-Canadian person or entity. The IC Act requires a non-Canadian (as defined in the IC Act) making an investment to acquire control of a Canadian business, the gross assets of which exceed certain defined threshold levels, to file an application for review with the Investment Review Division of Industry Canada. The IC Act provides, among other things, for a review of an investment in the event of acquisition of "control" in certain Canadian businesses in the following circumstances:

1. If the investor is a non-Canadian and is a national of a country belonging to the North American Free Trade Agreement ("NAFTA") and/or the World Trade Organization ("WTO") ("NAFTA or WTO National"), any direct acquisition having an asset value exceeding \$179,000,000 is reviewable. This amount is subject to an annual adjustment on the basis of a prescribed formula in the IC Act to reflect inflation and real growth within Canada. This threshold level does not apply in certain sections of Canadian industry, such as uranium, financial services (except insurance), transportation services and cultural services (i.e. the publication, distribution or sale of books, magazines, periodicals (other than printing or typesetting businesses), music in print or machine readable form, radio, television, cable and satellite services; the publication, distribution, sale or exhibition of film or video recordings on audio or video music recordings), to which lower thresholds as prescribed in the IC Act are applicable.

Table of Contents

2. If the investor is a non-Canadian and is not a NAFTA or WTO National, any direct acquisition having an asset value exceeding \$5,000,000 and any indirect acquisition having an asset value exceeding \$50,000,000 is reviewable.

3. If the investor is a non-Canadian and is NAFTA or WTO National, an indirect acquisition of control is reviewable if the value of the assets of the business located in Canada represents more than 50% of the asset value of the transaction or the business is involved in uranium, financial services, transportation services or cultural services (as set forth above).

Finally, certain transactions prescribed in the IC Act are exempted from review altogether.

In the context of the Company, in essence, three methods of acquiring control of a Canadian business are regulated by the IC Act: (i) the acquisition of all or substantially all of the assets used in carrying on business in Canada; (ii) the acquisition, directly or indirectly, of voting shares of a Canadian corporation carrying on business in Canada; or (iii) the acquisition of voting shares of an entity which controls, directly or indirectly, another entity carrying on business in Canada.

An acquisition of a majority of the voting shares of a Canadian entity, including a corporation, is deemed to be an acquisition of control under the IC Act. However, under the IC Act, there is a rebuttable presumption that control is acquired if one-third of the voting shares of a Canadian corporation or an equivalent undivided interest in the voting shares of such corporation are held by a non-Canadian person or entity. An acquisition of less than one-third of the voting shares of a Canadian corporation is deemed not to be an acquisition of control. An acquisition of less than a majority, but one-third or more, of the voting shares of a Canadian corporation is presumed to be an acquisition of control unless it can be established that, on the acquisition, the Canadian corporation is not, in fact, controlled by the acquirer through the ownership of voting shares. For partnerships, trusts, joint ventures or other unincorporated Canadian entities, an acquisition of less than a majority of the voting interests is deemed not to be an acquisition of control.

In addition, if a Canadian corporation is controlled by a non-Canadian, the acquisition of control of any other Canadian corporation by such corporation may be subject to the prior approval of the Investment Review Division, unless it can be established that the Canadian corporation is not in fact controlled by the acquirer through the ownership of voting shares.

Where an investment is reviewable under the IC Act, the investment may not be implemented unless it is likely to be of net benefit to Canada. If an applicant is unable to satisfy the Minister responsible for Industry Canada that the investment is likely to be of net benefit to Canada, the applicant may not proceed with the investment. Alternatively, an acquirer may be required to divest control of the Canadian business that is the subject of the investment.

## Table of Contents

In addition to the foregoing, the IC Act provides for formal notification under the IC Act of all other acquisitions of control by Canadian businesses by non-Canadian investors. The notification process consists of filing a notification within 30 days following the implementation of an investment, which notification is for information, as opposed to review, purposes.

### E. Taxation

The following summary of the material Canadian federal income tax consequences generally applicable in respect of the common stock reflects the Company's opinion. The tax consequences to any particular holder of common stock will vary according to the status of that holder as an individual, trust, corporation or member of a partnership, the jurisdiction in which that holder is subject to taxation, the place where that holder is resident and, generally, according to that holder's particular circumstances. This summary is applicable only to holders who are resident in the United States, have never been resident in Canada, deal at arm's length with the Company, hold their common stock as capital property and who will not use or hold the common stock in carrying on business in Canada. Special rules, which are not discussed in this summary, may apply to a United States holder that is an issuer that carries on business in Canada and elsewhere.

This summary is based upon the provisions of the Income Tax Act of Canada and the regulations there under (collectively, the "Tax Act" or "ITA") and the Canada-United States Tax Convention (the "Tax Convention") as at the date of the Annual Report and the current administrative practices of Canada Revenue Agency. It has been assumed that there will be no other relevant amendments of any governing law, although no assurance can be given in this respect. This summary does not take into account provincial income tax consequences.

Management urges each holder to consult his/her own tax advisor with respect to the income tax consequences applicable to him/her in his/her own particular circumstances.

### CANADIAN INCOME TAX CONSEQUENCES

The summary below is restricted to the case of a holder (a "Holder") of one or more common shares ("Common Shares") who for the purposes of the Tax Act is a non-resident of Canada, holds his Common Shares as capital property and deals at arm's length with the Company.

#### Dividends

A Holder will be subject to Canadian withholding tax ("Part XIII Tax") equal to 25%, or such lower rates as may be available under an applicable tax treaty, of the gross amount of any dividend paid or deemed to be paid on his Common Shares. Under the Tax Convention, the rate of Part XIII Tax applicable to a dividend on Common Shares paid to a Holder who is a resident of the United States is, if the Holder is a company that beneficially owns at least 10% of the voting stock of the Company, 5% and, in any other case, 15% of the gross amount of the dividend. The Company will be required to withhold the applicable amount of Part XIII Tax from each dividend so paid and remit the withheld amount directly to the Receiver General for Canada for the account of the Holder.

Table of Contents

Disposition of Common Shares

A Holder who disposes of Common Shares, including by deemed disposition on death, will not be subject to Canadian tax on any capital gain thereby realized unless the Common Share constituted “taxable Canadian property” as defined by the Tax Act. Generally, a common share of a public corporation will not constitute taxable Canadian property of a Holder unless he held the common share as capital property used by him carrying on a business in Canada, or he or persons with whom he did not deal at arm’s length alone or together held or held options to acquire, at any time within the 60 months preceding the disposition, 25% or more of the issued shares of any class of the capital stock of the Company.

A Holder who is a resident of the United States and realizes a capital gain on disposition of Common Shares that was taxable Canadian property will nevertheless, by virtue of the Treaty, generally be exempt from Canadian tax thereon unless (a) more than 50% of the value of the Common Shares is derived from, or from an interest in, Canadian real estate, including Canadian mineral resources properties, (b) the Common Shares formed part of the business property of a permanent establishment that the Holder has or had in Canada within the 12 months preceding disposition, or (c) the Holder (i) was a resident of Canada at any time within the ten years immediately preceding the disposition, and for a total of 120 months during any period of 20 consecutive years, preceding the disposition, and (ii) owned the Common Shares when he ceased to be resident in Canada.

A Holder who is subject to Canadian tax in respect of a capital gain realized on disposition of Common Shares must include one half of the capital gain (“taxable capital gain”) in computing his taxable income earned in Canada. The Holder may, subject to certain limitations, deduct one half of any capital loss (“allowable capital loss”) arising on disposition of taxable Canadian property from taxable capital gains realized in the year of disposition in respect to taxable Canadian property and, to the extent not so deductible, from such taxable capital gains of any of the three preceding years or any subsequent year.

**UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following is a discussion of material United States Federal income tax consequences, under the law, generally applicable to a U.S. Holder (as defined below) of common shares of the Company. This discussion does not cover any state, local or foreign tax consequences.

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (“the Code”), Treasury Regulations, published Internal Revenue Service (“IRS”) rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possible on a retroactive basis, at any time. In addition, the discussion does not consider the potential effects, both adverse and beneficial, or recently proposed legislation which, if enacted, could

## Table of Contents

be applied, possibly on a retroactive basis, at any time. The discussion is for general information only and it is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of common shares of the Company and no opinion or representation with respect to the U.S. federal income tax consequences to any such holder or prospective holder is made. Management urges holders and prospective holders of common shares of the Company to consult their own tax advisors about the federal, state, local, and foreign tax consequences of purchasing, owning and disposing of common shares of the Company.

### U.S. Holders

As used herein, a (“U.S. Holder”) includes a holder of common shares of the Company who is a citizen or resident of the United States, a corporation created or organized in or under the laws of the United States or of any political subdivision thereof, an estate whose income is taxable in the United States irrespective of source or a trust subject to the primary supervision of a court within the United States and control of a United States fiduciary as described in Section 7701(a)(30) of the Code. This summary does not address the tax consequences to, and U.S. Holder does not include, persons subject to special provisions of Federal income tax law, such as tax-exempt organizations, qualified retirement plans, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a “functional currency” other than the U.S. dollar, shareholders who hold common shares as part of a straddle, hedging or conversion transaction, and shareholders who acquired their common shares through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to U.S. Holders who own common shares as capital assets. This summary does not address the consequences to a person or entity holding an interest in a shareholder or the consequences to a person of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares.

### Distribution of Common Shares of the Company

U.S. Holders receiving dividend distributions (including constructive dividends) with respect to common shares of the Company are required to include in gross income for United States Federal income tax purposes the gross amount of such distributions equal to the U.S. dollar value of such distributions on the date of receipt (based on the exchange rate on such date), to the extent that the Company has current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder’s United States Federal Income tax liability or, alternatively, individuals may deduct in computing the U.S. Holder’s United States Federal taxable income by those individuals who itemize deductions. (See more detailed discussion at “Foreign Tax Credit” below). To the extent that distributions exceed current or accumulated earnings and profits of the Company, they will be treated first as a return of capital up to the U.S. Holder’s adjusted basis in the common shares and thereafter as gain from the sale or exchange of the common shares. Dividend income will be taxed at marginal tax rates applicable to ordinary income while preferential tax rates for long-term capital gains are applicable to a U.S. Holder which is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder which is a corporation.

## Table of Contents

In the case of foreign currency received as a dividend that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Generally any gain or loss recognized upon a subsequent sale or other disposition of the foreign currency, including the exchange for U.S. dollars, will be ordinary income or loss.

Dividends paid on the common shares of the Company will not generally be eligible for the dividends received deduction provided to corporations receiving dividends from certain United States corporations. A U.S. Holder which is a corporation may, under certain circumstances, be entitled to a 70% deduction of the United States source portion of dividends received from the Company (unless the Company qualifies as a “foreign personal holding company” or a “passive foreign investment company”, as defined below) if such U.S. Holder owns shares representing at least 10% of the voting power and value of the Company. The availability of this deduction is subject to several complex limitations which are beyond the scope of this discussion.

Under current Treasury Regulations, dividends paid on the Company’s common shares, if any, generally will not be subject to information reporting and generally will not be subject to U.S. backup withholding tax. However, dividends and the proceeds from a sale of the Company’s common shares paid in the U.S. through a U.S. or U.S. related paying agent (including a broker) will be subject to U.S. information reporting requirements and may also be subject to the 31% U.S. backup withholding tax, unless the paying agent is furnished with a duly completed and signed Form W-9. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a refund or a credit against the U.S. Holder’s U.S. federal income tax liability, provided the required information is furnished to the IRS.

### Foreign Tax Credit

For individuals whose entire income from sources outside the United States consists of qualified passive income, the total amount of creditable foreign taxes paid or accrued during the taxable year does not exceed \$300 (\$600 in the case of a joint return) and an election is made under section 904(j), the limitation on credit does not apply.

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to the ownership of common shares of the Company may be entitled, at the option of the U.S. Holder, to either a deduction or a tax credit for such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit reduces United States Federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer’s income subject to tax. This election is made on a year-by-year basis and applies to all foreign income taxes (or taxes in lieu of income tax) paid by (or withheld from) the U.S. Holder during the year. There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder’s United States income tax liability that the U.S.

## Table of Contents

Holder's foreign source income bears to his/her or its worldwide taxable income in the determination of the application of this limitation. The various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process. In addition, this limitation is calculated separately with respect to specific classes of income such as "passive income", "high withholding tax interest", "financial services income", "shipping income", and certain other classifications of income. Dividends distributed by the Company will generally constitute "passive income" or, in the case of certain U.S. Holders, "financial services income" for these purposes. The availability of the foreign tax credit and the application of the limitations on the credit are fact specific and management urges holders and prospective holders of common shares of the Company to consult their own tax advisors regarding their individual circumstances.

### Disposition of Common Shares of the Company

A U.S. Holder will recognize gain or loss upon the sale of common shares of the Company equal to the difference, if any, between (i) the amount of cash plus the fair market value of any property received, and (ii) the shareholder's tax basis in the common shares of the Company. Preferential tax rates apply to long-term capital gains of U.S. Holders, which are individuals, estates or trusts. This gain or loss will be capital gain or loss if the common shares are capital assets in the hands of the U.S. Holder, which will be a short-term or long-term capital gain or loss depending upon the holding period of the U.S. Holder. Gains and losses are netted and combined according to special rules in arriving at the overall capital gain or loss for a particular tax year. Deductions for net capital losses are subject to significant limitations. For U.S. Holders, which are not corporations, any unused portion of such net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted, but individuals may not carry back capital losses. For U.S. Holders, which are corporations (other than corporations subject to Subchapter S of the Code), an unused net capital loss may be carried back three years from the loss year and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

### Other Considerations

In the following circumstances, the above sections of the discussion may not describe the United States Federal income tax consequences resulting from the holding and disposition of common shares of the Company.

### Foreign Personal Holding Company

If at any time during a taxable year more than 50% of the total combined voting power or the total value of the Company's outstanding shares is owned, actually or constructively, by five or fewer individuals who are citizens or residents of the United States and 60% (50% after the first tax year) or more of the Company's gross income for such year was derived from certain passive sources (e.g. from interest income received from its subsidiaries), the Company would be treated as a "foreign personal holding company." In that event, U.S. Holders that hold common shares of the Company would be required to include in gross income for such year their allocable portions of such passive income to the extent the Company does not actually distribute such income.



## Table of Contents

The Company does not believe that it currently has the status of a “foreign personal holding company”. However, there can be no assurance that the Company will not be considered a foreign personal holding company for the current or any future taxable year.

### Foreign Investment Company

If 50% or more of the combined voting power or total value of the Company’s outstanding shares are held, actually or constructively, by citizens or residents of the United States, United States domestic partnerships or corporations, or estates or trusts other than foreign estates or trusts (as defined by the Code Section 7701(a)(31), and the Company is found to be engaged primarily in the business of investing, reinvesting, or trading in securities, commodities, or any interest therein, it is possible that the Company might be treated as a “foreign investment company” as defined in Section 1246 of the Code, causing all or part of any gain realized by a U.S. Holder selling or exchanging common shares of the Company to be treated as ordinary income rather than capital gains.

### Passive Foreign Investment Company

As a foreign corporation with U.S. Holders, the Company could potentially be treated as a passive foreign investment company (“PFIC”), as defined in Section 1297 of the Code, depending upon the percentage of the Company’s income which is passive, or the percentage of the Company’s assets which is held for the purpose of producing passive income.

Certain United States income tax legislation contains rules governing PFICs, which can have significant tax effects on U.S. shareholders of foreign corporations. These rules do not apply to non-U.S. shareholders. Section 1297 (a) of the Code defines a PFIC as a corporation that is not formed in the United States and, for any taxable year, either (I) 75% or more of its gross income is “passive income”, which includes interest, dividends and certain rents and royalties or (ii) the average percentage, by fair market value (or, if the company is a controlled foreign corporation or makes an election, by adjusted tax basis), of its assets that produce or are held for the production of “passive income” is 50% or more. The taxation of a US shareholder who owns stock in a PFIC is extremely complex and is therefore beyond the scope of this discussion. Management urges US persons to consult with their own tax advisors with regards to the impact of these rules.

### Controlled Foreign Corporation

A Controlled Foreign Corporation (CFC) is a foreign corporation more than 50% of whose stock by vote or value is, on any day in the corporation’s tax year, owned (directly or indirectly) by U.S. Shareholders. If more than 50% of the voting power of all classes of stock entitled to vote is owned, actually or constructively, by citizens or residents of the United States, United States domestic partnerships and corporations or estates or trusts other than foreign estates or trusts, each of whom own actually or constructively 10% or more of

Table of Contents

the total combined voting power of all classes of stock of the Company could be treated as a “controlled foreign corporation” under Subpart F of the Code. This classification would affect many complex results, one of which is the inclusion of certain income of a CFC, which is subject to current U.S. tax. The United States generally taxes United States Shareholders of a CFC currently on their pro rata shares of the Subpart F income of the CFC. Such United States Shareholders are generally treated as having received a current distribution out of the CFC’s Subpart F income and are also subject to current U.S. tax on their pro rata shares of the CFC’s earnings invested in U.S. property. The foreign tax credit described above may reduce the U.S. tax on these amounts. In addition, under Section 1248 of the Code, gain from the sale or exchange of shares by a U.S. Holder of common shares of the Corporation which is or was a United States Shareholder at any time during the five-year period ending with the sale or exchange is treated as ordinary income to the extent of earnings and profits of the Company (accumulated in corporate tax years beginning after 1962, but only while the shares were held and while the Company was “controlled”) attributable to the shares sold or exchanged. If a foreign corporation is both a PFIC and a CFC, the foreign corporation generally will not be treated as a PFIC with respect to the United States Shareholders of the CFC. This rule generally will be effective for taxable years of United States Shareholders beginning after 1997 and for taxable years of foreign corporations ending with or within such taxable years of United States Shareholders. The PFIC provisions continue to apply in the case of PFIC that is also a CFC with respect to the U.S. Holders that are less than 10% shareholders. Because of the complexity of Subpart F, a more detailed review of these rules is outside of the scope of this discussion.

The amount of any backup withholding will not constitute additional tax and will be allowed as a credit against the U.S. Holder’s federal income tax liability.

**Filing of Information Returns.** Under a number of circumstances, United States Investor acquiring shares of the Company may be required to file an information return with the Internal Revenue Service Center where they are required to file their tax returns with a duplicate copy to the Internal Revenue Service Center, Philadelphia, PA 19255. In particular, any United States Investor who becomes the owner, directly or indirectly, of 10% or more of the shares of the Company will be required to file such a return. Other filing requirements may apply, and management urges United States Investors to consult their own tax advisors concerning these requirements.

F. Dividends and Paying Agents

Not applicable

G. Statements by Experts

Not applicable

H. Documents on Display

The documents included as exhibits in Item 19 of this Report have been filed with the Securities and Exchange Commission (“SEC”) with the Company’s reports on Forms 6-K and 20-F, and may be reviewed at the SEC’s public reference room at 100 F Street, N.E.,

Table of Contents

Washington D.C. 20549. Copies may be obtained, upon payment of a duplication fee, by writing the SEC or reviewed on the SEC's website (<http://www.sec.gov>) or at the American Stock Exchange, 86 Trinity Place, New York, New York 10006.

## I. Subsidiary Information

Not Applicable

## Item 11. Quantitative and Qualitative Disclosures about Market Risk

The Company's mineral properties are all currently at the exploration stage and the Company's operations are limited to exploring those properties. Therefore, Seabridge's market risks are somewhat minimized. The Company does, however, have future property payments due in United States currency. As a Canadian Company, Seabridge's cash balances are kept in Canadian funds. Therefore, Seabridge is exposed to some exchange rate risk. The Company considers the amount of risk to be manageable and does not currently, nor is likely in the foreseeable future, conduct hedging to reduce its exchange rate risk.

The Company has the following total anticipated required property, royalty and tax payments due in US dollars for the next 3 fiscal years by individual property:

Property	2008	Payments Due (US\$)	
		2009	2010
Grassy Mountain	\$ 73,600	\$ 73,600	\$ 73,600
Quartz Mountain (1)	\$ 10,000	\$ 10,000	\$ 10,000
Castle/Black Rock	\$ 41,700	\$ 41,700	\$ 41,700
Hog Ranch	\$ 57,700	\$ 57,700	\$ 57,700
Other Nevada Properties	\$ 441,300	\$ 442,300	\$ 442,300

(1) The Quartz Mountain Property is currently under option to Golden Predator Mines Inc. (formerly named Quincy Energy Corp.) who is required to pay all required holding costs during the option period.

The Company maintains a significant amount of cash and cash equivalents as well as in short term deposits. The Company relies upon this cash to meet its future needs. As the funds are in interest bearing accounts, the Company has some interest rate risk. However, as the Company is primarily concerned with the preservation of the capital for anticipated general and property expenditures and is not dependent upon the interest from these accounts to meet its ongoing requirements, management considers the interest rate risk to be minimal and to have little to no effect on the Company's operations.

Table of Contents

Competitive Environment

The Company competes with other resource companies for exploration properties, joint venture agreements and for the acquisition of attractive gold companies. There is a risk that this competition could increase the difficulty of concluding a negotiation on terms that Seabridge considers acceptable.

Item 12. Description of Securities Other than Equity Securities

Not Applicable

Part II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None

Item 14. Material Modifications of Rights of Security Holders and Use of Proceeds

None

Item 15. Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation was carried out under the supervision of and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of the Company's disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act). Based on that evaluation the CEO and the CFO have concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were adequately designed and effective in ensuring that: (i) information required to be disclosed by the Company in reports that it files or submits to the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of financial statements for external purposes in accordance with generally accepted accounting principles.

Table of Contents

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the design and operation of the Company's internal control over financial reporting as of December 31, 2007, based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2007 and no material weaknesses were discovered.

As this report is required for U.S. reporting purposes, the Company is a "foreign private issuer" as defined in Rule 3b-4 of the Exchange Act, and the Company is an accelerated filer, the Company is required to provide an auditor's attestation report on internal control over financial reporting. The Company's auditor has attested to management's evaluation of internal controls over financial reporting for the year ended December 31, 2007. The auditor's attestation is included within this annual report on Form 20-F.

Item 16A. Audit Committee Financial Expert

The Company's Board of Directors has determined that Mr. Thomas Dawson, Chairman of the Audit Committee and an independent director (as independent is defined by the American Stock Exchange) of the Company, is an "audit committee financial expert."

Item 16B. Code of Business Ethics

The Code of Business Ethics, formally adopted by the Company in March 2005, was included with the Company's Form 20-F dated March 15, 2005. The Code was updated in November 2007 and the revised document is attached to this Form 20-F. The Code is available on the Company's website at [www.seabridgegold.net](http://www.seabridgegold.net) and from the Company's office.

During the most recently completed fiscal year, the Company has not granted any waiver including an explicit waiver, from a provision of the Code of Business Ethics to any executive officer or director.

Table of Contents

## Item 16C. Principal Accountant Fees and Services

The aggregate fees billed for each of the last two fiscal years for professional services rendered by KPMG, the Company's Auditors, are as follows:

	2007	2006
Audit fees	\$ 136,000	\$ 70,000
Audit related fees	30,000	30,000
Tax Fees	3,500	0
All Other Fees	0	0
	\$ 169,500	\$ 100,000

## Item 16D. Exemptions from the Listing Standards for Audit Committees

Not Applicable

## Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None

## Part III

## Item 17. Financial Statements

The Company's financial statements are stated in Canadian Dollars (CDN\$) and are prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP), the application of which, in the case of the Company, conforms in all material respects for the periods presented with United States GAAP, except as disclosed in Note 11 to the 2007 audited consolidated financial statements.

The financial statements as required under ITEM #17 are attached hereto and found immediately following the text of this Annual Report. See Item #19 for a list of the reports.

## Item 18. Financial Statements

The Company has elected to provide financial statements pursuant to ITEM #17.

## Item 19. Exhibits

A. The financial statements thereto as required under ITEM #17 are attached hereto and found immediately following the text of this Annual Report.

Table of Contents

Audited Financial Statements

Report of Independent Registered Public Accounting Firm to the Board of Directors dated March 19, 2008.

Consolidated Balance Sheets at December 31, 2007 and 2006

Consolidated Statements of Operations and Deficit for the Years Ended December 31, 2007, 2006 and 2005.

Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2007, 2006 and 2005.

Consolidated Statements of Other Accumulated Income for the Years Ended December 31, 2007, 2006 and 2005.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2007, 2006, and 2005.

Notes to Consolidated Financial Statements at December 31, 2007 and 2006 and for the Years Ended December 31, 2007, 2006 and 2005.

Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm to the Board of Directors dated March 19, 2008

B. Other Exhibits

1. Certificate of Incorporation, Certificates of Name Change, Articles of Incorporation, Articles of Amalgamation and By-Laws (filed as Exhibit 1 to the Company's Registration Statement on Form 20-F, dated February 18, 2004, (File No. 000-50657) (the "Initial Form 20-F") and incorporated herein by reference thereto).

2. Instruments defining the rights of holders of the securities being registered (see Exhibit Number 1).

3. Voting Trust Agreements – N/A

4. Material Contracts

1. Agreement for the purchase and sale of the Red Mountain Project and Willoughby Joint Venture between Seabridge and North American Metals Corp. (incorporated by reference to Exhibit 4-1 in Initial Form 20-F).

Table of Contents

2. Agreement between the Company and Platoro West Incorporated covering the Castle/Black Rock project (incorporated by reference to Exhibit 4-2 in Initial Form 20-F).
3. Agreement between the Company and Platoro West Incorporated covering the Hog Ranch project (incorporated by reference to Exhibit 4-3 in Initial Form 20-F).
4. Agreement between the Company and Placer Dome covering the Kerr/Sulphurets project (incorporated by reference to Exhibit 4-4 in Initial Form 20-F).
5. Agreement between the Company and Atlas covering the Grassy Mountain project (incorporated by reference to Exhibit 4-5 in Initial Form 20-F).
6. Agreement between the Company and Quartz Mountain Resources covering the Quartz Mountain project (incorporated by reference in Exhibit 4-9 in Initial Form 20-F).
7. Agreement between the Company and Noranda Inc. covering the Kerr/Sulphurets project (incorporated by reference to Exhibit 4-7 in Initial Form 20-F).
8. Agreement between the Company, Newmont Canada and Total Resources covering the Courageous Lake project (incorporated by reference to Exhibit 4-8 in Initial Form 20-F).
9. Agreement between the Company and Minera Hecla S.A. de C.V. covering the Noche Buena project (incorporated by reference to Exhibit 9 to the Company's Form 20-F for the year ended December 31, 2006).
  
5. List of Foreign Patents – N/A
6. Calculation of earnings per share – N/A
7. Explanation of calculation of ratios – N/A
8. List of Subsidiaries
  - a) Seabridge Gold Corporation, a Nevada corporation incorporated December 28, 2001, 100% owned.
  - b) Pacific Intermountain Gold Corporation, a Nevada corporation incorporated on April 26, 2002, 100% owned
  - c) 5073 N.W.T. Limited, a company incorporated under the laws of the Northwest Territories on July 9, 2002, 100% owned.
  - d) Minera Seabridge Gold SA de CV, a company incorporated in Mexico, 100% owned.
  
9. Statement pursuant to the instructions to Item 8.A.4, regarding the financial statements filed in registration statements for initial public offerings of securities – N/A
  
10. Rule 104 Notice – N/A
  
11. Code of Business Ethics – Revised on November 7, 2007



Table of Contents

12. Certifications

12.1(\*) Rule 13a-14(a)/Rule 15d-14(a) Certification of Chief Executive Officer

12.2(\*) Rule 13a-14(a)/Rule 15d-14(a) Certification of Chief Financial Officer

13. Rule 13a-14(b) Certifications

13.1(\*) Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

13.2(\*) Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

14. Opinion – N/A

(\*) Filed herewith

78

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Table of Contents

KPMG LLP	Telephone (416)
Chartered Accountants	Fax 777-8500
Suite 3300 Commerce Court West	Internet (416)
PO Box 31 Stn Commerce Court	777-8818
Toronto ON M5L 1B2	www.kpmg.ca
Canada	

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Seabridge Gold Inc.

We have audited Seabridge Gold Inc. ("the Company")'s internal control over financial reporting as of December 31, 2007, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting with this Form 20-F. Our responsibility is to express an opinion the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

Table of Contents

Page 2

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2007, based on the criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2007 and December 31, 2006, and the related consolidated statements of operations and deficit, comprehensive loss, accumulated other comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2007, and our report dated March 19, 2008, expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada  
March 19, 2008

F-2

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Table of Contents

Consolidated Balance Sheets  
December 31, 2007 and 2006  
(in Canadian dollars)

	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 13,480,147	\$ 5,578,691
Cash held for exploration expenditures (Note 6)	-	206,815
Short-term deposits (Note 3)	11,557,493	-
Amounts receivable and prepaid expenses	420,069	904,437
Marketable securities	240,695	165,001
	25,698,404	6,854,944
<b>MINERAL INTERESTS (Note 4)</b>	<b>62,667,850</b>	<b>53,262,180</b>
<b>RECLAMATION DEPOSITS (Note 5)</b>	<b>1,305,171</b>	<b>1,069,900</b>
<b>PROPERTY AND EQUIPMENT</b>	<b>190,308</b>	<b>56,772</b>
	<b>\$ 89,861,733</b>	<b>\$ 61,243,796</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals	\$ 678,827	\$ 435,148
<b>PROVISIONS FOR RECLAMATION LIABILITIES (Note 5)</b>	<b>1,849,475</b>	<b>1,529,948</b>
<b>FUTURE INCOME TAX LIABILITIES (Notes 6 and 9)</b>	<b>586,562</b>	<b>-</b>
	<b>3,114,864</b>	<b>1,965,096</b>
<b>SHAREHOLDERS' EQUITY (Note 6)</b>		
<b>SHARE CAPITAL</b>	<b>109,736,473</b>	<b>66,774,637</b>
<b>STOCK OPTIONS</b>	<b>4,282,974</b>	<b>2,857,676</b>
<b>SHARE PURCHASE WARRANTS</b>	<b>-</b>	<b>11,436,000</b>
<b>CONTRIBUTED SURPLUS</b>	<b>19,500</b>	<b>19,500</b>
<b>DEFICIT</b>	<b>(27,350,897)</b>	<b>(21,809,113)</b>
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME (Note 2(n))</b>	<b>58,819</b>	<b>-</b>
	<b>86,746,869</b>	<b>59,278,700</b>
	<b>\$ 89,861,733</b>	<b>\$ 61,243,796</b>
<b>COMMITMENTS (Note 10)</b>		

See accompanying notes to consolidated financial statements

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Rudi P.  
Fronk  
Rudi P. Fronk  
Director

/s/ James  
S. Anthony  
James S. Anthony  
Director

F-3

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Table of Contents

Consolidated Statements of Operations and Deficit  
 For the Years Ended December 31, 2007, 2006 and 2005  
 (in Canadian dollars)

	2007	2006	2005
<b>EXPENDITURES</b>			
Corporate and general expenses	\$ 6,688,504	\$ 4,747,724	\$ 2,100,791
Interest income	(822,563)	(362,957)	(134,677)
Gain on sale of marketable securities	-	(88,800)	-
Write-down of investment (Note 4(c))	-	749,450	-
Foreign exchange losses	295,843	161,267	11,967
<b>LOSS BEFORE INCOME TAXES</b>	<b>6,161,784</b>	<b>5,206,684</b>	<b>1,978,081</b>
Income tax recoveries (Notes 6(a)(ii) and 9)	(620,000)	(1,906,684)	(820,800)
<b>NET LOSS FOR YEAR</b>	<b>5,541,784</b>	<b>3,300,000</b>	<b>1,157,281</b>
<b>DEFICIT, BEGINNING OF YEAR</b>	<b>21,809,113</b>	<b>18,509,113</b>	<b>17,351,832</b>
<b>DEFICIT, END OF YEAR</b>	<b>\$ 27,350,897</b>	<b>\$ 21,809,113</b>	<b>\$ 18,509,113</b>
<b>LOSS PER SHARE – basic and diluted</b>	<b>\$ 0.15</b>	<b>\$ 0.10</b>	<b>\$ 0.04</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>	<b>35,991,034</b>	<b>33,458,517</b>	<b>30,682,026</b>

Consolidated Statements of Comprehensive Loss  
 For the Years Ended December 31, 2007, 2006 and 2005  
 (in Canadian dollars)

	2007	2006	2005
<b>NET LOSS FOR YEAR</b>	<b>\$ (5,541,784)</b>	<b>\$ (3,300,000)</b>	<b>\$ (1,157,281)</b>
<b>OTHER COMPREHENSIVE INCOME (Note 2(m))</b>	<b>58,819</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE LOSS</b>	<b>\$ (5,482,965)</b>	<b>\$ (3,300,000)</b>	<b>\$ (1,157,281)</b>

Consolidated Statements of Accumulated Other Comprehensive Income  
 For the Years Ended December 31, 2007, 2006 and 2005  
 (in Canadian dollars)

	2007	2006	2005
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER COMPREHENSIVE INCOME (Note 2(m))</b>	<b>58,819</b>	<b>-</b>	<b>-</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ 58,819</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to consolidated financial statements



Table of Contents

Consolidated Statements of Cash Flows  
 For the Years Ended December, 2007, 2006 and 2005  
 (in Canadian dollars)

	2007	2006	2005
<b>CASH PROVIDED FROM (USED FOR) OPERATIONS</b>			
Net loss for year	\$ (5,541,784)	\$ (3,330,000)	\$ (1,157,281)
Items not involving cash			
Stock option compensation	2,830,270	1,978,807	361,350
Write-down of investment (Note 4(c))	-	749,450	-
Foreign exchange	-	(53,768)	-
Accretion (Note 5)	145,665	123,214	113,285
Amortization	24,761	2,611	7,215
Income tax recoveries	(620,000)	(1,906,684)	(820,800)
Changes in non-cash working capital items			
Amounts receivable and prepaid expenses	(327,520)	32,269	83,707
Accounts payable and accruals	138,540	43,793	192,037
	(3,350,068)	(2,330,308)	(1,220,487)
<b>INVESTING ACTIVITIES</b>			
Mineral interests	(8,350,885)	(14,571,174)	(3,815,625)
	(11,		
Short-term deposits	557,493)	5,871,753	(3,241,551)
Reclamation deposits	(200,000)	(20,900)	-
Property and Equipment	(174,339)	(30,921)	(27,334)
	(20,		
	282,717)	(8,751,242)	(7,084,510)
<b>FINANCING ACTIVITIES</b>			
Issue of share capital and warrants	31,327,426	12,545,702	11,299,051
<b>NET CASH PROVIDED</b>	<b>7,694,641</b>	<b>1,464,152</b>	<b>2,994,054</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,785,506</b>	<b>4,321,354</b>	<b>1,327,300</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 13,480,147</b>	<b>\$ 5,785,506</b>	<b>\$ 4,321,354</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR:</b>			
Cash and cash equivalents	\$ 13,480,147	\$ 5,578,691	\$ 293,107
Cash held for exploration expenditures	-	206,815	4,028,247
	\$ 13,480,147	\$ 5,785,506	\$ 4,321,354
<b>CHANGES IN ACCOUNTS RECEIVABLE AND LIABILITIES IN MINERAL INTERESTS</b>	<b>\$ 1,054,875</b>	<b>\$ (300,248)</b>	<b>\$ (418,858)</b>

See accompanying notes to consolidated financial statements





Table of Contents

Notes to the Financial Statements

At December 31, 2007 and 2006 and

For the Years Ended December 31, 2007, 2006 and 2005

(in Canadian dollars, except where noted)

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1. NATURE OF OPERATIONS

The Company is engaged in the acquisition, exploration and development of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financings and develop the properties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada which, except as noted in Note 11, are consistent in all material respects with GAAP in the United States of America.

The consolidated financial statements have, in management's opinion, been properly prepared within the framework of the significant accounting policies summarized below:

a) Principles of Consolidation

These consolidated financial statements include the accounts of Seabridge Gold Inc. and its wholly-owned subsidiaries, Seabridge Gold Corp., a company incorporated under the laws of the State of Nevada, USA, 5073 N.W.T. Limited, a company incorporated under the laws of the Northwest Territories of Canada; Pacific Intermountain Gold Inc. ("PIGCO"), a company incorporated under the laws of the State of Nevada, USA and Minera Seabridge Gold SA de CV, a company incorporated in Mexico in 2006 to hold the Noche Buena project. All significant inter-company transactions and balances have been eliminated.

b) Mineral Interests

Direct property acquisition costs, advance royalties, holding costs, field exploration and field supervisory costs relating to specific properties are deferred until the properties are brought into production, at which time, they will be amortized on a unit of production basis, or until the properties are abandoned, sold or considered to be impaired in value, at which time an appropriate charge will be made. The recovery of costs of mining claims and deferred exploration is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and future profitable production or proceeds from disposition of such properties.

The Emerging Issues Committee of the CICA issued EIC-126 – "Accounting by Mining Enterprises for Exploration Costs" which interprets how Accounting Guideline No. 11 entitled Enterprises in the Development Stage - (AcG-11) affects mining companies with respect to the deferral of exploration costs. EIC-126 refers to CICA Handbook Section 3061 "Property, Plant and Equipment", paragraph 21, which states that for a mining property, the cost of the asset includes exploration costs if the enterprise considers that such costs have the characteristics of property, plant and equipment. EIC-126 then states that a mining enterprise that has not established mineral reserves objectively, and therefore does not have a basis for preparing a projection of the estimated cash flow from the property, is not precluded from considering the exploration costs to have the characteristics of property, plant and equipment. EIC-126 also sets forth the Committee's consensus that a mining enterprise in the development stage is not required to consider the conditions in AcG-11 regarding impairment in determining whether exploration costs may be initially capitalized. With respect to impairment of capitalized exploration costs, EIC-126 sets forth the Committee's consensus that a mining enterprise in the development stage that has not established mineral reserves objectively, and therefore does not have a basis for preparing a projection of the estimated cash flow from the property is not obliged to conclude that

capitalized costs have been impaired. However, such an enterprise should consider the conditions set forth in AcG-11 and CICA Handbook sections relating to long-lived assets in determining whether subsequent write-down of capitalized exploration costs related to mining properties is required. Any resulting write-downs are charged to the statement of operations.

The Company considers that exploration costs have the characteristics of property, plant and equipment, and, accordingly, defers such costs. Furthermore, pursuant to EIC-126, deferred exploration costs would not automatically be subject to regular assessment of recoverability, unless conditions, such as those discussed in AcG 11 exist.

AcG 11 also provides guidance on measuring impairment of when pre-operating costs have been deferred. While this guidance is applicable, its application did not result in impairment.

F-6

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Table of Contents

c) Asset Retirement Obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which they occur and/or in which a reasonable estimate of such costs can be made using the total undiscounted cash flows required to settle estimated obligations, estimated expected timing of cash flow payments required to settle the obligations and estimated credit-adjusted risk-free discount rates and inflation rates (see Note 5).

d) Stock-based Compensation

The Company applies the fair value method for stock-based compensation and other stock-based payments. Options are valued using the Black Scholes option-pricing model and other models for the two-tiered options as may be appropriate. The resulting value is charged against income over the anticipated vesting period of the option (see Note 5(b)). The Company reviews estimated forfeitures of options on an ongoing basis.

e) Property and Equipment

Property and Equipment are carried at cost less accumulated amortization. Amortization is provided using the straight-line method at an annual rate of 20% from the date of acquisition.

f) Cash and Short-term Deposits

Cash and short-term investments consist of balances with banks and investments in money market instruments. These investments are carried at fair value. Cash and cash equivalents consist of investments with maturities of up to 90 days at the date of purchase. Short-term deposits consist of investments with maturities greater than 90 days at the date of purchase.

g) Marketable Securities

Short-term investments in marketable securities accounted for as available for sale securities are recorded at market value (prior years – at cost). The market values of investments are determined based on the closing prices reported on recognized securities exchanges and over-the-counter markets. Such individual market values do not necessarily represent the realizable value of the total holding of any security, which may be more or less than that indicated by market quotations. When there has been a loss in the value of an investment in marketable securities that is determined to be other than a temporary decline, the investment is written down to recognize the loss. The securities are recorded at market value at December 31, 2007 and at cost at December 31, 2006 (market value was \$219,000). See Note 2(n).

h) Flow-through Shares

The Company financed a portion of its exploration and development activities through the issue of flow-through shares. Under the terms of these share issues, the tax attributes of the related expenditures are renounced to subscribers. When the renunciation is made, the tax value of the renunciation is recorded as a liability and charged against share capital. Where the Company has a valuation allowance, which reduces future income tax assets, the valuation allowance is reduced and an income tax recovery is recorded in the statement of operations.

i) Translation of Foreign Currencies

The functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Foreign currency transactions entered into by the Company and financial statements of integrated foreign operations are translated using the temporal method. Under this method, monetary assets and liabilities are translated at year-end rates of exchange, non-monetary assets and liabilities are translated at historic rates of exchange and statement of operations items are translated at average exchange rates prevailing during the year. Exchange gains and losses on foreign currency transactions and foreign currency denominated balances are included in the statement of operations.

j) Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax bases (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are expected to reverse. The effect on future income tax assets and liabilities of a change in tax rates enacted is included in operations in the period in which the change is enacted or substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

k) Loss Per Share

Loss per share of common stock is computed based on the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. As the Company incurred net losses for the year ended December 31, 2007, 2006 and 2005, all outstanding options and warrants have been excluded from the calculation of diluted loss per share.

l) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported year. The most significant estimates relate to the carrying values of exploration properties, accrued liabilities and contingencies, valuation of stock options and calculations of future income tax assets. Actual results could be materially different from those estimates.

m) Changes in Accounting Policies

On January 1, 2007, the Company adopted the following Canadian Institute of Chartered Accountants accounting standards which were effective for fiscal years beginning on or after October 1, 2006: Section 1530 Comprehensive Income; Section 3855 Financial Instruments – Recognition and Measurement; Section 3861 Financial Instruments – Presentation and Disclosure; and, Section 3865 – Hedges. These sections require certain financial instruments and

Table of Contents

hedge positions to be recorded at fair value. The standards also introduce the concept of comprehensive income and accumulated other comprehensive income. Adoption of these standards is generally on a retrospective basis without restatement.

Under the new standards, financial instruments designated as “held-for-trading” and “available-for-sale” will be carried at their fair value while financial instruments such as “loans and receivables”, “financial liabilities” and those classified as “held-to-maturity” will be carried at their amortized cost. All derivatives will be carried on the consolidated balance sheets at their fair value, including derivatives designated as hedges. Unrealized gains and losses on effective cash flow hedges will be carried in “Accumulated Other Comprehensive Income”, a component of “Shareholders’ Equity” on the consolidated balance sheets, while any gains or losses on ineffective hedges will be recognized in earnings. The amount related to unrealized gains or losses on marketable securities as a result of this change was \$58,819 for 2007 of which \$53,561 relates to opening accumulated other comprehensive income.

## n) New Pronouncements Not Yet Adopted

The Canadian Institute of Chartered Accountants (“CICA”) issued the following accounting standards effective for the Company’s fiscal year beginning on January 1, 2008:

## Capital Disclosures

In December 2006, the CICA issued Handbook Section 1535, Capital Disclosures, which establishes standards for disclosing information about an entity’s capital and how it is managed. The entity’s disclosure should include information about its objectives, policies and processes for managing capital and disclose whether or not it has complied and the consequences of non-compliance with any capital requirements to which it is subject. The Company is currently evaluating the impact of the adoption of this section on the consolidated financial statements.

## Financial Instruments – Disclosures and Financial Instruments - Presentation

In December 2006, the CICA issued Handbook Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments – Presentation. Section 3862 modifies the disclosure requirements of Section 3861 Financial Instruments - Disclosures and Presentation including required disclosure of the assessment of the significance of financial instruments for an entity’s financial position and performance; and of the extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks. Section 3863 carries forward the presentation related requirements of Section 3861. The Company is currently evaluating the impact of the adoption of Section 3862, while it does not expect the adoption of 3863 to have a significant effect on the consolidated financial statements.

## Inventories

In March 2007, the CICA issued Handbook Section 3031 Inventories, which replaces Section 3030 Inventories. Under the new section, inventories are required to be measured at the “lower of cost and net realizable value, which is different from the existing guidance of the “lower of cost and market value”. The new section contains guidance on the determination of cost and also requires the reversal of any write-downs previously recognized, if applicable. Certain minimum disclosures are required, including the accounting policies used, carrying amounts, amounts recognized as an expense, write-downs, and the amount of any reversal of any write-downs recognized as a reduction in expenses. The Company evaluated the impact of the adoption of this new section on the consolidated financial statements and concluded the impact will not be material.

## 3. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

	2007		2006	
Cash	\$	1,416,376	\$	961,765
Canadian bank guaranteed notes		23,621,264		4,616,926
		25,037,640		5,578,691

Short-term deposits		(11,557,493)		-
Cash and cash equivalents	\$	13,480,147	\$	5,578,691

Short-term deposits consist of Canadian bank guaranteed notes with a term of 91 days to one year.

F-8

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Table of Contents

## 4. MINERAL INTERESTS

Expenditures made on account of mineral interests by the Company were as follows:

Property and Expense	2007			Balance, December 31, 2007
	Balance, December 31, 2006	Expenditures	Recoveries	
<b>Courageous Lake</b>				
Acquisition costs	\$ 8,302,305	\$ 100,000	\$ -	\$ 8,402,305
Deferred exploration	12,072,797	615,512	-	12,688,309
	20,375,102	715,512	-	21,090,614
<b>Castle Black Rock</b>				
Acquisition costs	140,426	-	-	140,426
Deferred exploration	289,198	42,937	-	332,135
	429,624	42,937	-	472,561
<b>Grassy Mountain</b>				
Acquisition costs	2,261,299	-	-	2,261,299
Deferred exploration	986,741	113,538	-	1,100,279
	3,248,040	113,538	-	3,361,578
<b>Hog Ranch</b>				
Acquisition costs	443,838	-	-	443,838
Deferred exploration	700,888	61,610	-	762,498
	1,144,726	61,610	-	1,206,336
<b>KSM (Kerr-Sulphurets-Mitchell)</b>				
Acquisition costs	15,061,208	245,338	-	15,306,546
Deferred exploration	3,717,826	6,291,034	-	10,008,860
	18,779,034	6,536,372	-	25,315,406
<b>Quartz Mountain</b>				
Acquisition costs	357,139	-	-	357,139
Deferred exploration	85,348	8,910	-	94,258
	442,487	8,910	-	451,397
<b>Red Mountain</b>				
Acquisition costs	82,090	-	-	82,090
Deferred exploration	859,180	169,350	-	1,028,530
	941,270	169,350	-	1,110,620
<b>Pacific Intermountain Gold Corp.</b>				
Acquisition costs	-	-	-	-
Deferred exploration	2,488,602	556,261	(44,831)	3,000,032
	2,488,602	556,261	(44,831)	3,000,032
<b>Other Nevada Projects</b>				
Acquisition costs.	20,000	-	-	20,000
Deferred exploration	254,602	68,323	-	322,925
	274,602	68,323	-	342,925
<b>Noche Buena, Mexico</b>				
Acquisition costs.	4,888,270	-	-	4,888,270
Deferred exploration	250,423	1,177,688	-	1,428,111
	5,138,693	1,177,688	-	6,316,381
<b>Total</b>				
Acquisition costs	31,556,575	345,338	-	31,901,913



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Deferred exploration	21,705,605	9,105,163	(44,831)	30,765,937
Total Mineral Interests	\$ 53,262,180	\$ 9,450,501	\$ (44,831)	\$ 62,667,850

F-9

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Table of Contents

Property and Expense	2006			Balance, December 31, 2006
	Balance, December 31, 2005	Expenditures	Recoveries	
<b>Courageous Lake</b>				
Acquisition costs	\$ 8,252,305	\$ 50,000	\$ -	\$ 8,302,305
Deferred exploration	7,519,488	4,553,309	-	12,072,797
	15,771,793	4,603,309	-	20,375,102
<b>Castle Black Rock</b>				
Acquisition costs	140,426	-	-	140,426
Deferred exploration	243,642	45,556	-	289,198
	384,068	45,556	-	429,624
<b>Grassy Mountain</b>				
Acquisition costs	2,261,299	-	-	2,261,299
Deferred exploration	844,548	142,193	-	986,741
	3,105,847	142,193	-	3,248,040
<b>Hog Ranch</b>				
Acquisition costs	443,838	-	-	443,838
Deferred exploration	629,850	71,038	-	700,888
	1,073,688	71,038	-	1,144,726
<b>KSM</b>				
Acquisition costs	465,542	14,595,666	-	15,061,208
Deferred exploration	61,382	3,656,444	-	3,717,826
	526,924	18,252,110	-	18,779,034
<b>Quartz Mountain</b>				
Acquisition costs	357,139	-	-	357,139
Deferred exploration	85,348	-	-	85,348
	442,487	-	-	442,487
<b>Red Mountain</b>				
Acquisition costs	82,090	-	-	82,090
Deferred exploration	690,720	168,460	-	859,180
	772,810	168,460	-	941,270
<b>Pacific Intermountain Gold Corp.</b>				
Acquisition costs	14,860	-	(14,860)	-
Deferred exploration	2,060,644	472,568	(44,610)	2,488,602
	2,075,504	472,568	(59,470)	2,488,602
<b>Other Nevada Projects</b>				
Acquisition costs.	20,000	-	-	20,000
Deferred exploration	193,416	61,186	-	254,602
	213,416	61,186	-	274,602
<b>Noche Buena, Mexico</b>				
Acquisition costs.	28,901	4,859,369	-	4,888,270
Deferred exploration	-	250,423	-	250,423
	28,901	5,109,792	-	5,138,693
<b>Total</b>				
Acquisition costs	12,066,400	19,505,035	(14,860)	31,556,575
Deferred exploration	12,329,038	9,421,177	(44,610)	21,705,605
Total Mineral Interests	\$ 24,395,438	\$ 28,926,212	\$ (59,470)	\$ 53,262,180



Table of Contents

Property and Expense	2005			Balance, December 31, 2005
	Balance, December 31, 2004	Expenditures	Recoveries	
<b>Courageous Lake</b>				
Acquisition costs	\$ 8,202,305	\$ 50,000	\$ -	\$ 8,252,305
Deferred exploration	5,388,752	2,130,736	-	7,519,488
	13,591,057	2,180,736	-	15,771,793
<b>Castle Black Rock</b>				
Acquisition costs	140,426	-	-	140,426
Deferred exploration	194,214	49,428	-	243,642
	334,640	49,428	-	384,068
<b>Grassy Mountain</b>				
Acquisition costs	2,261,299	-	-	2,261,299
Deferred exploration	708,837	135,711	-	844,548
	2,970,136	135,711	-	3,105,847
<b>Hog Ranch</b>				
Acquisition costs	443,838	-	-	443,838
Deferred exploration	563,897	65,953	-	629,850
	1,007,735	65,953	-	1,073,688
<b>KSM</b>				
Acquisition costs	465,542	-	-	465,542
Deferred exploration	59,177	2,205	-	61,382
	524,719	2,205	-	526,924
<b>Quartz Mountain</b>				
Acquisition costs	357,139	-	-	357,139
Deferred exploration	85,348	-	-	85,348
	442,487	-	-	442,487
<b>Red Mountain</b>				
Acquisition costs	82,090	-	-	82,090
Deferred exploration	534,866	155,854	-	690,720
	616,956	155,854	-	772,810
<b>Pacific Intermountain Gold Corp.</b>				
Acquisition costs	48,215	-	(33,355)	14,860
Deferred exploration	1,303,058	757,586	-	2,060,644
	1,351,273	757,586	(33,355)	2,075,504
<b>Other Nevada Projects</b>				
Acquisition costs.	20,000	-	-	20,000
Deferred exploration	139,668	53,748	-	193,416
	159,668	53,748	-	293,416
<b>Noche Buena, Mexico</b>				
Acquisition costs.	-	28,901	-	28,901
Deferred exploration	-	-	-	-
	-	28,901	-	28,901
<b>Total</b>				
Acquisition costs	12,020,854	78,901	(33,355)	12,066,400
Deferred exploration	8,977,817	3,351,221	-	12,329,038
Total Mineral Interests	\$ 20,998,671	\$ 3,430,122	\$ (33,355)	\$ 24,395,438

Continued exploration of the Company's mineral properties is subject to certain lease payments, project holding costs, rental fees and filing fees.

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 will either sell projects or participate in joint ventures towards production with major mining companies.

a) Courageous Lake

In 2002, the Company purchased a 100% interest in the Courageous Lake gold project from Newmont Canada Limited and Total Resources (Canada) Limited ("the Vendors") for US\$2.5 million. The Courageous Lake gold project consists of mining leases located in Northwest Territories of Canada.

The Vendors were granted a 2% net smelter royalty interest in the project. In addition, the Company agreed to pay the Vendors US\$1.5 million when the spot price of gold closed at or above US\$360 per ounce for 10 consecutive days (paid in March 2003), and pay the Vendors US\$1.5 million when the spot price of gold closed at or above US\$400 per ounce or a production decision is made at Courageous Lake, whichever is earlier (paid in February 2004).

In 2004, an additional property was optioned in the area. Under the terms of the agreement, the Company paid \$50,000 on closing and was required to make option payments of \$50,000 on each of the first two anniversary dates and subsequently \$100,000 per year. In addition, the property may be purchased at any time for \$1,250,000 with any option payments being credited against the purchase price.

Table of Contents

b) Castle Black Rock

The Company entered into a mining lease agreement dated August 15, 2000, and amended on August 1, 2001, with respect to mineral claims located in Esmeralda County, Nevada, USA. In 2002, the Company paid US\$17,500 and in 2003, US\$25,000 in advance royalties and is required to pay further advance royalties of US\$25,000 each August 15 thereafter and to pay a production royalty, varying with the price of gold, of 3% to 5%, and a 3.5% royalty on gross proceeds from other metals produced. The Company has the right to purchase 50% of the production royalty for US\$1.8 million.

c) Grassy Mountain

In 2000, the Company acquired an option on a 100% interest in mineral claims located in Malheur County, Oregon, USA. During 2002, the Company paid US\$50,000 in option payments. On December 23, 2002, the agreement was amended and the Company made a further option payment of US\$300,000 and in March 2003 acquired the property for a payment of US\$600,000. As part of the acquisition of the Grassy Mountain property, the Company acquired one million shares of a U.S. based private exploration company at US\$0.50 per share which represented approximately 6.9% of the private company's issued and outstanding shares. Subsequently, the private company was merged with Atlas Precious Metals Inc. ("APMI"). On the merger, the Company's one million shares of the private company were converted into 1,200,000 common shares of APMI representing approximately 5.7% of APMI's issued and outstanding shares. At December 31, 2006, the Company had written down the value of its investment, as APMI has not been able to secure financing due to perceived political risks in the jurisdiction where its main asset is located.

d) Hog Ranch

In 2000, the Company entered into a mining lease agreement for mineral claims located in Washoe County, Nevada. Advance royalties are payable as to US\$15,000 on November 15, 2006; US\$17,500 on November 15, 2007; US\$20,000 on November 15, 2008 and each November 15 thereafter. A production royalty is payable varying with the price of gold, ranging from 3% to 5%, and a 3.5% royalty on the gross proceeds from other metals. 40% of the production royalty may be purchased for US\$2 million. In August 2003, the Company optioned a 60% interest in the Hog Ranch project in Nevada, USA to Romarco Minerals Inc. ("Romarco"). Under the terms of the agreement the Company received 200,000 shares of Romarco valued at \$52,000 in 2003 and in 2004 received 200,000 shares valued at \$45,000 which amounts were shown as a recovery of mineral interests and the investments are included in marketable securities on the balance sheet. In February 2005, Romarco terminated its option on the Hog Ranch property.

e) KSM (Kerr-Sulphurets-Mitchell)

In 2001, the Company purchased a 100% interest in contiguous claim blocks in the Skeena Mining Division, British Columbia. The vendor maintains a 1% net smelter royalty interest on the project, subject to maximum aggregate royalty payments of \$4.5 million. The Company is obligated to purchase the net smelter royalty interest for the price of \$4.5 million in the event that a positive feasibility study demonstrates a 10% or higher internal rate of return after tax and financing costs.

In 2002, the Company optioned the property to Noranda Inc. (which subsequently became Falconbridge Limited and then Xstrata plc.) which could earn up to a 65% interest by incurring exploration expenditures and funding the cost of a feasibility study.

In April 2006, the Company reacquired the exploration rights to the KSM property in British Columbia, Canada from Falconbridge Limited. On closing of the formal agreement in August 2006, the Company issued Falconbridge 200,000 common shares of the Company with a deemed value \$3,140,000 excluding share issue costs. The Company also issued 2 million warrants to purchase common shares of the Company at \$13.50 each. The warrants become exercisable for five years from the date each new ounce of gold resources is declared (up to 2 million ounces of gold) for work undertaken on the property through the year 2010. At closing of the formal agreement in August 2006 the

fair value of warrants was estimated at \$11,436,000 using a Black-Scholes option-pricing model. The value of the warrants was calculated using a volatility of 60%, interest rate of 4% and expected life of 1.5 years. Falconbridge also has the right of first refusal should the Company desire to sell all or any portion of its interest therein. On February 20, 2007, the Company announced a new mineral resource at the Mitchell zone of the property based on the 2006 drilling program and consequently the above 2 million warrants became exercisable. The 2,000,000 warrants were exercised in May and June 2007 and proceeds of \$27,000,000 were received by the Company.

f)

#### Quartz Mountain

In 2001, the Company purchased a 100% interest in mineral claims in Lake County, Oregon. The vendor retained a 1% net smelter royalty interest on unpatented claims acquired and there is a 0.5% net smelter royalty interest to an unrelated third party as a finder's fee. In October 2003, the Company optioned a 50% interest in the Quartz Mountain project in Oregon, USA to Golden Predator Mines Inc. (formerly Quincy Resources Inc.). The current gold resource known on the property is excluded from the agreement. The terms of the agreement require Golden Predator to incur US\$1.5 million in exploration and issue the deemed fair value of the original 250,000 Quincy shares in stages by October 2008. Golden predator can earn a further 12.5% interest in the project by funding a feasibility study and issuing a further deemed fair value of the original 250,000 Quincy shares to the Company. If after earning its 50% interest, Golden Predator elects not to proceed with a feasibility study, the Company has the option to acquire Golden Predator's interest for US\$750,000. In 2003, the Company received the first payment of 50,000 shares of Quincy valued at \$13,100 which amount was shown as a recovery of mineral interests and the investment is included in marketable securities on the balance sheet.

g)

#### Red Mountain

In 2001, the Company purchased a 100% interest in an array of assets associated with mineral claims in the Skeena Mining Division, British Columbia, together with related project data and drill core, an owned office building and a leased warehouse, various mining equipment on the project site, and a mineral exploration permit which is associated with a cash reclamation deposit of \$1 million.

The Company assumed all liabilities associated with the array of assets acquired, including all environmental liabilities, all ongoing licensing obligations and ongoing leasehold obligations including net smelter royalty obligations on certain mineral claims ranging from 2.0% to 6.5% as well as an annual minimum royalty payment of \$50,000.

Table of Contents

## h) Pacific Intermountain Gold Corporation

During 2002, the Company and an unrelated party incorporated Pacific Intermountain Gold Corporation (“PIGCO”). The Company funded PIGCO’s share capital of \$755,000 and received a 75% interest. The other party provided the exclusive use of an exploration database and received a 25% interest. The value associated with the use of this database, being the minority interest in PIGCO at December 31, 2002 was charged to operations as PIGCO exploration. Subsequent to 2002, funding which was for deferred exploration expenditures has been by way of loans to PIGCO. In July 2004, the Company acquired the 25% interest in PIGCO which it did not own for forgiving debt of approximately \$65,000 and agreeing to pay 10% of any sale of projects to third parties. The minority interest liability value amounting to \$207,369 was deleted and the amount credited against PIGCO deferred exploration expenses on the balance sheet.

The Company and PIGCO acquired approximately 30 claim blocks in Nevada, USA in 2002. A 50% interest in one property, Thunder Mountain, was optioned to a third party in 2002. The optionee paid US\$25,000 in cash and issued 250,000 of its shares and was required to spend US\$1.5 million in exploration over a three year period and issue PIGCO 500,000 common shares on or before the first anniversary and 750,000 on or before the second anniversary. At the completion of the earn-in, a 50-50 joint venture would have been formed with the optionee as operator. In 2003, the agreement was amended with the Clifford property, another PIGCO owned property, added to the agreement and the 500,000 shares becoming payable in 2004. During 2004, the third party terminated all of its rights under the option agreement.

## i) Noche Buena, Mexico

In April 2006, the Company acquired 100% interest in the 1,000 hectare Noche Buena gold project in the Sonora district of Mexico for US\$4,350,000 in cash. In January 2008, the Company reported increased NI-43-101 mineral resources resulting from the 2007 drilling program. The Company plans to seek interested third parties to acquire this project.

## 5. RECLAMATION DEPOSITS AND PROVISIONS FOR RECLAMATION LIABILITIES

The reclamation deposits consist of short-term investments or cash deposits held as security for either the governments in Canada or the USA to cover estimated reclamation liabilities on various exploration properties.

The balance in the provision for reclamation liabilities is as follows:

	Amount
Balance at December 31, 2005	\$ 1,406,734
Accretion	123,214
Balance at December 31, 2006	1,529,948
Additional reclamation liability	173,862
Accretion	145,665
Balance at December 31, 2007	\$ 1,849,475

The fair value of the asset retirement obligations was calculated using the total undiscounted cash flows required to settle estimated obligations (estimated to be \$3,277,000), expected timing of cash flow payments required to settle the obligations between 2008 and 2020, credit-adjusted risk-free discount rates of 7.9% to 8.76% and an inflation rate of 2.0%. During 2007, a liability was set up for the KSM project amounting to \$149,862 and a deposit of \$200,000 was held as security.





Table of Contents

## 6. SHAREHOLDERS' EQUITY

## a) Share Capital

	Shares	Amount
Authorized		
Unlimited number of common shares without par value		
Unlimited number of preference shares (none issued)		
Issued – Common shares		
Balance, December 31, 2004	29,714,785	\$ 42,230,336
Issued during year		
For cash, exercise of stock options	169,400	360,905
For cash, exercise of warrants	287,500	862,500
For cash, private placements	1,935,000	10,075,646
Value of share purchase warrants and stock options exercised	-	206,358
Renunciation of flow-through share value (ii)	-	(820,800)
	2,391,900	10,684,609
Balance, December 31, 2005	32,106,685	52,914,945
Issued during year		
For cash, exercise of stock options	584,000	584,780
For cash, private placements (i)	1,200,000	12,008,144
Acquisition of mineral interest (Note 4(e))	200,000	3,092,778
Value of stock options exercised	-	80,674
Renunciation of flow-through share value (ii)	-	(1,906,684)
	1,984,000	13,859,692
Balance, December 31, 2006	34,090,685	66,774,637
Issued during year		
For cash, exercise of share purchase warrants (Note 4(e))	2,000,000	27,000,000
For cash, exercise of stock options	1,207,200	4,327,426
Value of warrants and stock options exercised	-	12,840,972
Renunciation of flow-through share value (ii)	-	(1,206,562)
	3,207,200	42,961,836
Balance, December 31, 2007	37,297,885	\$ 109,736,473

(i) In April 2006, the Company completed a private placement consisting of 875,000 common shares for gross proceeds of \$8,443,750.

In June 2006, the Company completed a private placement flow-through financing of 325,000 common shares for gross proceeds of \$3,656,250. Under the terms of the financing the Company will renounce to the investors the Canadian Exploration Expenses (“CEE”) incurred with the proceeds of the financing. The balance of funds not spent by December 31, 2006 was recorded on the balance sheet as Cash held for Exploration Expenditures. In January 2007, the CEE was renounced to the investors.

(ii) In January 2007, the Company renounced \$3,656,250 (2006 - \$5,278,750, 2005 - \$2,272,500) in Canadian Exploration Expenses to investors of flow-through shares in 2006, 2005 and 2004, respectively. The tax value of these renunciations has been recorded as a future tax liability and charged against share capital. In the 2007, 2006 and 2005 years, the Company had a valuation allowance which reduced future income tax assets and therefore a portion of the valuation allowance was reduced and income tax recoveries recognized in the statement of operations in the amount of \$620,000 for 2007, \$1,907,000 for 2006 and \$821,000 for 2005.

## b) Stock Options Outstanding

The Company provides compensation to directors, employees and consultants in the form of stock options. In August 2002, the Company announced new provisions to the stock option plan for directors and senior management. New option grants to directors and senior management are subject to a two-tiered vesting policy designed to better align option compensation with the interests of shareholders. Grants to other employees and consultants do not have the two-tiered provision.

The two-tier option grants require a certain share price above the grant date price for 10 successive days for the first third to vest, a higher share price for the second third to vest and a further higher share price for the final third to vest. Once the share price has met the first test, the Company's share price performance must have exceeded the S&P/TSX Global Gold Index by more than 20% over the preceding six months or these options would be cancelled.

The Board has granted the following two-tiered options:

Date of Grant	Number	Exercise Price	Share Price Vesting	Year Vested
August 2002	600,000	\$ 2.20	\$6, \$9, \$12	2005 and 2006
August 2004	100,000	\$ 3.37	\$6, \$9, \$12	2005 and 2006
January 2005	50,000	\$ 4.00	\$6, \$9, \$12	2005 and 2006
January 2006	875,000	\$10.56	\$15, \$18, \$21	2006 and 2007

The weighted average grant date fair value of the 200,000 options granted during 2007 which were not subject to the two-tiered vesting policy described above was \$9.73 (2006 - \$2.70, 2005 - \$3.33). The grant of these 200,000 options resulted in compensation costs totaling \$1,945,640 compared to 15,000 options resulting in compensation costs totaling \$40,485 during 2006 and 45,000 options resulting in compensation costs of \$29,784 during 2005. 170,000 of the 2007 options will

Table of Contents

vest over the period January 2007 to August 2008 and consequently \$948,447 was expensed in 2007 and \$997,193 will be expensed in 2008. The fair value of the options granted is estimated on the dates of grant using a Black-Scholes option-pricing model with the following assumptions:

	2007	2006	2005
Dividend yield	Nil	Nil	Nil
Expected volatility	55%	65%	60%
Risk free rate of return	4.3%	3.8%	4.21%
Expected life of options	2.7 years	1 year	3.5 years

The weighted average grant date fair value of the 875,000 two-tiered options granted during 2006 was \$4.03. The fair value of the options granted was estimated on the date of grant using a Monte Carlo simulation and a binomial option-pricing model to consider the two-tier vesting probabilities using the following assumptions:

Dividend yield	Nil
Expected volatility	60%
Risk free rate of return	3.8%
Expected life of options	4.6 years

The estimated fair value of the two-tiered options granted in 2006 amounted to \$3,523,333. In 2006, the \$15 per share vesting requirement was met on the options granted in 2006 and in 2007 the \$18 and \$21 per share vesting requirements were met. During 2006, \$1,641,510 of this amount was expensed and the balance of \$1,881,823 was expensed in 2007.

A summary of the status of the plans at December 31, 2007 and changes during the years are presented below:

	Shares	Weighted Average Exercise Price	Amount
Outstanding at December 31, 2004	1,953,900	\$ 1.57	\$ 703,926
Granted	95,000	5.74	29,784
Exercised	(169,400)	(2.13)	(105,733)
Value of two-tiered options vested	-	-	331,566
Outstanding at December 31, 2005	1,879,500	2.21	959,543
Granted	890,000	10.55	1,681,995
Exercised	(584,000)	(1.00)	(80,674)
Value of 2002-2005 options vested	-	-	296,812
Outstanding at December 31, 2006	2,185,500	5.93	2,857,676
Granted	200,000	25.29	948,448
Exercised	(1,207,200)	(3.58)	(1,404,973)
Value of 2006 options vested	-	-	1,881,823

Outstanding at December 31, 2007	1,178,300	\$	11.62	\$	4,282,974
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Number of Shares	Options Vested	Option Price Per Share	Expiry Date
15,000	15,000	\$ 2.08	June 3, 2008
	17,000	\$ 2.58	August 12, 2008
17,000			
	3,800	\$ 3.82	October 28, 2008
3,800			
	37,500	\$ 5.65	January 13, 2009
37,500			
	100,000	\$ 3.37	August 13, 2009
100,000			
	65,000	\$ 4.00	January 11, 2010
65,000			
	30,000	\$ 9.50	December 20, 2010
30,000			
	725,000	\$ 10.56	January 4, 2011
725,000			
	-	\$ 13.77	January 17, 2012
30,000			
	15,000	\$ 19.57	June 27, 2008
15,000			
	-	\$ 29.60	August 8, 2012
140,000			
1,178,300	1,008,300	\$ 11.62	

At December 31, 2007, there were 1,178,300 options outstanding of which 1,008,300 were exercisable at prices ranging from \$2.08 to \$19.57 each.

In addition to the 1,178,300 options outstanding there were 120,000 options under the two-tiered vesting provisions granted in August 2007 subject to an increase in the share option plan and the approval of shareholders at the next meeting of shareholders. These options would vest as to one third at a share price of \$34, an additional one third at \$37 and the final one third at a price of \$40.

Table of Contents

## c) Share Purchase Warrants

The Company's movement in share purchase warrants is as follows:

	Number of Warrants	Amount
Balance at December 31, 2004	287,500	\$ 100,625
Exercised	(287,500)	(100,625)
Balance at December 31, 2005	-	-
Issued for mineral property	2,000,000	11,436,000
Balance at December 31, 2006	2,000,000	11,436,000
Exercised	(2,000,000)	(11,436,000)
Balance at December 31, 2007	-	\$ -

The share purchase warrants issued in 2006 were part of the acquisition of the KSM project (see Note 4(e)).

The grant date fair value of the 2,000,000 warrants was deemed to be \$5.72 each. The fair value of the warrants granted was estimated on the date of grant using a Black-Scholes option-pricing model with the following assumptions:

Dividend yield	Nil
Expected volatility	60%
Risk free rate of return	4%
Expected life of warrants	1.5 years

## 7. RELATED PARTY TRANSACTIONS

- a) During the year, a private company controlled by a director of the Company was paid \$33,300 (2006 - \$33,900, 2005 - \$39,400) for technical services provided by his company related to the mineral properties.
- b) During the year, a private company controlled by a second director was paid \$360,000 (2006 - \$144,000, 2005 - \$120,000) for consulting services rendered.
- c) During the year, a third director was paid 17,300 (2006- \$18,000) 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.

## 8. FINANCIAL INSTRUMENTS

The fair value of the Company's cash and cash equivalents and short term deposits, cash held for exploration expenditures, amounts receivable, reclamation deposits and accounts payable and accruals at December 31, 2007 and December 31, 2006 is estimated to approximate their carrying values due to the immediate or short-term maturity of these financial instruments.

## 9. INCOME TAXES

The income tax recovery varies from the amounts that would be computed by applying the basic federal and provincial income tax rates aggregating to 36.12% (2006 – 36.12%, 2005 – 36.12%) as follows:

	2007	2006	2005
Statutory rate applied to loss for year	\$ 2,226,000	\$ 1,881,000	\$ 714,000
Non deductible items	(1,026,000)	(785,000)	(217,000)
Valuation allowance	(1,200,000)	(1,096,000)	(497,000)
Reduction in valuation allowance	620,000	1,907,000	820,800
	\$ 620,000	\$ 1,907,000	\$ 820,800

Significant components of the Company's future tax assets and liabilities are as follows:

	2007	2006
Future income tax assets		
Mineral interests	\$ (2,733,000)	\$ (1,611,000)
Share issue costs	68,000	104,000
Non capital losses	2,783,000	1,979,000
Provision for reclamation	220,000	157,000
Unrealized capital losses	293,000	291,000
	631,000	920,000
Valuation allowance	(1,218,000)	(920,000)
Future income tax liabilities, net	\$ (587,000)	\$ -

A future tax asset of approximately \$3,128,000 (2006 - \$1,594,000) in one Canadian entity has been offset with a future tax liability in another Canadian entity on the basis that management has undertaken to carry out tax planning measures when required.

Table of Contents

The Company has accumulated non-capital losses for Canadian tax purposes of approximately \$9,004,000 which expire in various years to 2027 as follows:

2008	\$ 338,000
2009	735,000
2010	707,000
2014	943,000
2015	1,092,000
2026	1,920,000
2027	3,269,000
	\$ 9,004,000

The tax value of the non-capital losses is included in the future tax assets above.

## 10. COMMITMENTS

The Company is committed to payments for an operating lease for business premises as follows:

2008	\$ 101,000
2009	\$ 101,000
2010	\$ 101,000
2011	\$ 101,000
2012	\$ 34,000

## 11. RECONCILIATION TO UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in Canada. Except as set out below, these consolidated financial statements also comply, in all material aspects, with accounting principles generally accepted in the United States and the rules and regulations of the U.S. Securities and Exchange Commission. The following tables reconcile results as reported under Canadian GAAP with those that would have been reported under United States GAAP:

Consolidated statements of operations:

	2007	2006	2005
Net loss for year – Canadian GAAP	\$ (5,541,784)	\$ (3,300,000)	\$ (1,157,281)
Mineral interests prior to the establishment of proven and probable reserves (a)	(9,060,332)	(9,376,567)	(3,351,221)
Flow-through share renunciation	(1,206,562)	(1,906,684)	(820,800)
Flow-through share value	393,250	421,800	202,000
Net loss for the year - U.S. GAAP	(15,415,428)	(14,161,451)	(5,127,302)
Other comprehensive income:			
Unrealized gains on marketable securities (c)	5,258	53,561	-
Comprehensive loss – U.S. GAAP	\$ (15,410,170)	\$ (14,107,890)	\$ (5,127,302)
Loss per share – U.S. GAAP, Basic and Diluted	\$ (0.43)	\$ (0.42)	\$ (0.17)

Accumulated other comprehensive income – U.S. GAAP

	2007	2006	2005
Accumulated other comprehensive income – Canadian GAAP	\$ 58,819	\$ -	\$ -



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Unrealized gains on marketable securities – U.S. GAAP  
adjustment

		-	53,561	
Accumulated other comprehensive income – U.S. GAAP	\$	58,819	\$	53,561
			\$	-

Consolidated statements of cash flows:

	Canadian GAAP		U.S. GAAP			
	2007	2006	2005	2007	2006	2005
Cash used in operating activities	\$ (3,350,068)	\$ (2,330,308)	\$ (1,220,487)	\$ (12,410,400)	\$ (11,706,875)	\$ (4,571,708)
Cash provided by (used for) investing activities	\$ (20,282,717)	\$ (8,751,242)	\$ (7,084,510)	\$ (11,222,385)	\$ 625,325	\$ (3,733,289)

Consolidated balance sheets:

	Canadian GAAP		U.S. GAAP	
	2007	2006	2007	2006
Current assets- marketable securities	\$ 240,695	\$ 165,001	\$ 240,695	\$ 218,562
Mineral interests – unproven (a)	\$ 62,667,850	\$ 53,262,180	\$ 28,994,508	\$ 28,649,170
Liabilities	\$ 586,562	\$ -	\$ 586,562	\$ 393,250
Shareholders' equity	\$ 86,746,869	\$ 59,278,700	\$ 53,073,527	\$ 34,326,001

F-17

## Table of Contents

### a) Mineral interests

Under United States GAAP, acquisition costs associated with mining interests are classified according to the land tenure position and the existence of proven and probable reserves as defined under Industry Guide 7.

Under United States GAAP, through to March 31, 2004, costs associated with owned mineral claims and mining leases were classified as definite life intangible assets and amortized over the period of intended use or until proven and probable reserves are established ranging from four to eleven years. Effective April 1, 2004, pursuant to EITF 04-2, the Company classified its mineral rights as tangible assets and stopped amortizing them. This change was accounted for prospectively. These assets are tested for recoverability whenever events or changes in circumstances indicate that its carrying value may not be recoverable. Under Canadian GAAP the unit of production basis of amortization is acceptable prior to the establishment of proven and probable reserves resulting in no amortization during the exploration and development phase.

Under United States GAAP, costs associated with options to acquire mineral claims and mining leases are regarded as having a finite life expiring over the term of the option agreement and are not a component of the acquisition cost. Under Canadian GAAP the option payments are regarded as part of the acquisition cost and are deferred until the option is exercised when they are reclassified depending on the ownership position acquired or charged to operations if the option is not exercised.

Under United States GAAP, exploration expenditures relating to mining interests prior to the completion of a definitive feasibility study, which establishes proven and probable reserves must be expensed as incurred. Under Canadian GAAP these costs may be deferred.

### b) Flow-through shares

Under United States GAAP when flow-through shares are issued, the proceeds are allocated between the issue of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the existing shares and the amount that the investor pays for the shares. The shareholders' equity is reduced and a liability is recognized for this difference which amounted to \$393,250 for the flow-through shares issued in 2006 (2005 - 421,800). The liability is reversed when the tax benefits are renounced and a deferred tax liability recognized at that time. Income tax expense is the difference between the amount of the deferred tax liability and the liability recognized on issuance.

### c) Comprehensive income

Under Canadian GAAP short-term investments were recorded at the lower of cost and quoted market value until December 31, 2006 and in 2007 at fair value and were considered as available for sale since January 1, 2007 (see Note 2(m)). Under United States GAAP, unrealized gains and losses on short-term investments classified as available for sale securities are recorded in comprehensive income until realized for all periods presented.

### c) Impact of recent United States accounting pronouncements

In June 2006, the FASB issued FIN No. 48, "Accounting for Uncertainty in Income Taxes", which clarifies accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized. A company would be required to recognize the best estimate of a tax position if that position is more likely than not of being sustained upon examination, based solely on the technical merits of the position. This change is effective beginning in 2007. The application of FIN 48 did not have an impact on the consolidated financial statements under U.S. GAAP.

In September 2006, the FASB issued FASB Statement No. 157, Fair Market Measurements that provides enhanced guidance for using fair value to measure assets and liabilities. FASB Statement No. 157 is meant to remedy the diversity and inconsistency within generally accepted accounting principles in measuring fair value, especially for

items that are not actively traded. FAS No. 157 also responds to investors' requests for expanded information about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. FAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances. This change is effective beginning in 2007. The application of FAS 157 did not have an impact on the consolidated financial statements under U.S. GAAP.

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 – Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. This bulletin addresses the multiple methods used to quantify financial statement misstatements and evaluate the accumulation of misstatements on the balance sheet. This change is effective beginning in 2007. The application of SAB 108 did not have an impact on the consolidated financial statements under U.S. GAAP.

In February 2007, the FASB issued FASB Statement No. 159, which offers an irrevocable option to carry eligible financial assets and liabilities at fair value, with the election to be made on an instrument by instrument basis, with changes in fair value recorded in earnings. This Statement is effective for 2008 fiscal year. The Company is in the process of reviewing this Statement and financial assets and liabilities which may be affected.

Table of Contents

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Seabridge Gold Inc.

We have audited the accompanying consolidated balance sheets of Seabridge Gold Inc. ("the Company") as of December 31, 2007 and December 31, 2006 and the related consolidated statements of operations and deficit, comprehensive loss, accumulated other comprehensive income and cash flows for each of the years in the three-year period ended December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2007 and December 31, 2006 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2007 in conformity with Canadian generally accepted accounting principles.

As discussed in note 2(m) to the financial statements, the Company changed its method of accounting for financial instruments.

Canadian generally accepted accounting principles vary in certain significant respects from US generally accepted accounting principles. Information relating to the nature and effect of such differences is presented in Note 11 to the consolidated financial statements.

KPMG LLP, a Canadian limited liability partnership is the Canadian member firm of KPMG International, a Swiss cooperative.

Table of Contents

Page 2

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2007, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 19, 2008 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Canada  
March 19, 2008

R-2

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Table of Contents

Signature Page

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Seabridge Gold Inc.  
Registrant

Dated: March 28, 2008

Signed: /s/ Rudi Fronk  
Rudi Fronk  
President and C.E.O.

