

## Seabridge Gold Inc. (TSX:SEA) Iskut Could be Another Significant Au-Cu Porphyry

Exploration Update  
October 22, 2019

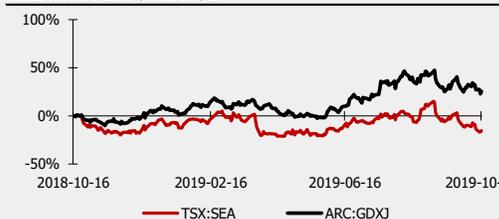
(Currency is C\$ unless noted otherwise)

Closing Price (\$/sh)	\$15.71	
Net Asset Value Per Share (\$/sh)	\$62.02	
Fair Value Estimate (\$/sh)	\$49	
52 Week Low / High (\$/sh)	\$14.74 / \$21.98	
P/NAV	0.25x	
<b>CAPITALIZATION</b>	Basic	Diluted
Shares Outstanding (M)	63.3	65.4
Market Capitalization (\$M)	\$994.9	
Enterprise Value (\$M)	\$980.1	
Estimated Cash Balance Cash (\$M)	\$14.8	
Debt (\$M)	\$0.3	

### STOCK CHART



### RELATIVE PERFORMANCE



NET ASSET VALUE	(\$M)	(\$/Sh)
KSM, BC (100% Ownership)	\$5,745.3	\$72.97
Taxes	(\$1,529.9)	(\$19.43)
Other Assets	\$280.4	\$3.56
<b>Corporate adjustments</b>	<b>\$387.1</b>	<b>\$4.92</b>
<b>Total NAV</b>	<b>\$4,882.8</b>	<b>\$62.02</b>

RELATIVE VALUATION	EV/1b CuEq	P/NAV
Explorer/Developer Peers*	US\$37	0.42x
Seabridge Gold (Consensus)	US\$4	0.39x
<b>Seabridge Gold (RCKS Est.)</b>	<b>US\$4</b>	<b>0.25x</b>

### MAJOR SHAREHOLDERS

Management (4.58%), Pan Atlantic Bank and Trus. (20.48%), FCM Parent Co. (6.18%), Van Eck Associates Corpora. (4.69%), Russell Investment Managem. (2.86%), Van Den Berg Management I., (2.18%), FMR LLC (2.14%)

DISCLOSURE CODE: 2, 4

(Please refer to the disclosures listed on the back page)

Source: RCKS estimates, Company Information, Capital IQ

### Company Description

Seabridge Gold Inc., a development stage company, together with its subsidiaries, engages in the acquisition and exploration of gold properties located in North America. The company also explores for copper and silver ores. It holds a 100% interest in various North American gold resource projects. The company's principal assets are the Kerr-Sulphurets-Mitchell and Iskut properties located near Stewart, British Columbia, Canada, as well as the Courageous Lake gold project located in Canada's Northwest Territories.

### Impact: Mildly Positive

Results from Seabridge's summer exploration program at its 100% owned Iskut project have defined another Au-Cu target. Results bode well for the project and we expect this work to be followed up by a significant drill program in 2020. **While the expected JV for KSM is likely to be the next major catalyst, an aggressive exploration program at Iskut, along with ongoing work at Snowstorm should provide investors exploration upside in 2020.**

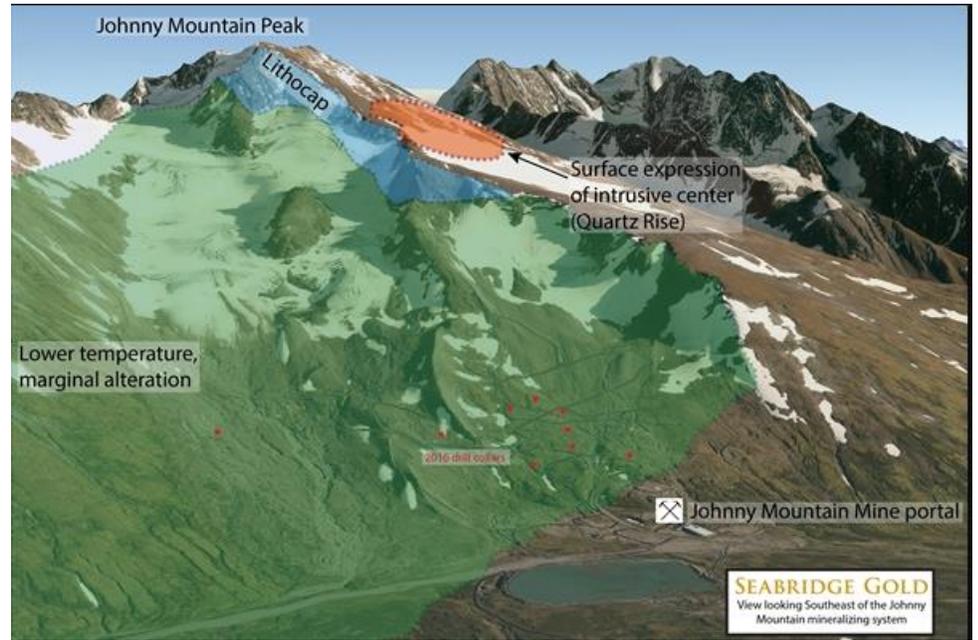
### Highlights:

- Extensive work done at Iskut in 2019 followed up on 2018 efforts.** The company followed-up last year's drilling at Quartz Rise with 1.4 km<sup>2</sup> of 3D IP surveys, 260-line kms of high-resolution magnetic surveys and 184 geochemical samples. The goal of the program to date was to confirm the company's belief of a possible porphyry source for the high Au-Cu anomalies found at the Lithocap feature (Figure 1) and further define the geophysical limits of the target.
- Geophysics expands known footprint.** Previous results indicated a potential porphyry style source for the lithocap feature and this summer's work has expanded the lithocap target's geophysical footprint to the south and southwest, and a depth in excess of 800m. This was further corroborated by surface mapping and sampling. Iskut currently has a historic resource of 3.5Moz AuEq for which we ascribe an in-situ value of C\$23M, representing C\$0.36/sh of our C\$61.37/sh NAV. However, exploration success is likely to cause us to materially increase this value, as the geophysical footprint (Figure 2) suggests a significant discover is possible.
- Iskut adds exploration optionality.** We expect this summer's exploration work to result in a drill program designed to define the scale of the Iskut Au-Cu porphyry. This along with the ongoing work at Snowstorm ([read here](#)), should provide investors exploration optionality, that could positively impact the share price.

### Valuation:

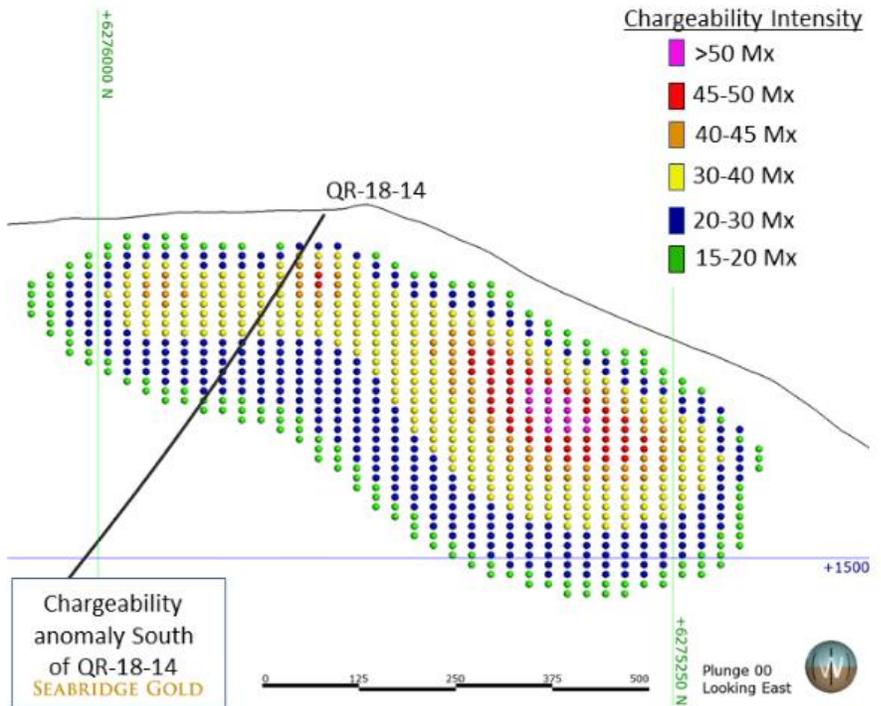
**Adding value with exploration while waiting on the JV.** The main driver of our C\$49/sh (unchanged) fair value estimate is KSM and the anticipated JV agreement. However, these types of agreements take time, during which Seabridge is working to build shareholder value with the drill bit. Our C\$49/sh fair value is based on 0.70x our NAVPS<sub>5%</sub> estimate of C\$61.37/sh (unchanged). While exploration results at Iskut make for an exciting early stage exploration target, we believe the main driver to re-rate the stock to our fair value estimate is the announcement of a JV for KSM. **Upcoming catalysts** include: 1) JV Agreement for KSM, 2) Exploration results from Snowstorm (Q4/19), 3) 2019 Exploration update from KSM (Q4/19), and 4) 2020 drilling at Iskut (2020).

Figure 1: View Looking Southeast of the Johnny Mountain Mineralizing System



Source: Company Reports

Figure 2: Chargeability anomaly South of QR-18-14



Source: Company Reports

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Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Seabridge Gold Inc..	TSX:SEA	1,2,4

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