

**IMPORTANT TAX NOTICE TO U.S. SHAREHOLDERS RELATED TO YOUR
INVESTMENT IN SEABRIDGE GOLD INC.**

This information is provided for shareholders who are U.S. taxpayers. It may not be relevant for other persons.

Each of Seabridge Gold Inc. (“SGI”) and its non-U.S. subsidiary - Seabridge Gold (NWT) Inc. (“NWT”) (collectively the “SGI Entities”) believes that it would be classified as a passive foreign investment company (“PFIC”) for its taxable year ended December 31, 2013 (“**2013 Taxable Year**”).

THIS NOTICE DOES NOT CONSTITUTE TAX ADVICE. AS THE U.S. TAX RULES REGARDING PFICS ARE VERY COMPLEX, INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISOR REGARDING THEIR INVESTMENT IN SGI BASED ON THEIR OWN SPECIFIC FACTS AND CIRCUMSTANCES. SGI DISCLAIMS ANY RESPONSIBILITY OR LIABILITY FOR ANY RELIANCE THAT ANY PERSON MAY PLACE ON THIS NOTICE.

In general, U.S. taxpayers are subject to certain complex tax rules if they own a direct or indirect interest in a foreign corporation that is treated as a “PFIC” for U.S. federal income tax purposes. A foreign corporation is a PFIC for a tax year if either (i) 75% or more of its gross income for the taxable year constitutes passive income, or (ii) the average percentage of assets held by such corporation during the taxable year which produce passive income, or are held for the production of passive income, is at least 50%.

The tax rules impose an interest charge and taxation at the highest rates on the portion of any distribution from a PFIC that is an “excess distribution” to the investor. A distribution is subject to the “excess distribution” rules if the distribution during the taxable year received by the investor exceeds 125% of the average of distributions received in the three preceding taxable years. These rules also apply in the case of gain on the disposition of stock in a PFIC.

If you were considered to receive a distribution that is considered to be an “excess distribution” under the PFIC rules or if you were considered to sell (directly or indirectly) your stock in SGI at a gain, you would be required to allocate the distribution or gain, as the case may be, ratably over the time period during which you held your stock while respective SGI Entity was a PFIC, and pay U.S. taxes at the highest rate (on ordinary income) plus an interest charge to reflect the deemed deferral value.

However, the adverse nature of some of these U.S. tax rules may be mitigated for those shareholders that elect to “purge the PFIC taint”.

A U.S. shareholder who makes a qualified electing fund (“QEF”) election with respect to SGI Entity is required to annually include in his or her income his or her pro rata share of the ordinary earnings and net capital gains of that SGI Entity, whether or not that SGI Entity distributes any amounts to its shareholders. Furthermore, the QEF election must be made for each PFIC entity for the first year the entity meets PFIC criteria’s in order to avoid adverse tax consequences.

Unless the investor makes the QEF election in the first year he or she holds stock in a PFIC, an election of QEF treatment does not suspend the operation of the excess distribution rules. Therefore, both the excess distribution rules and QEF rules can apply at the same time. To avoid this result, a U.S. person who is a shareholder of a PFIC can make a deemed sale election under Internal Revenue Code section 1291(d)(2)(A). If the deemed sale election is made, the U.S. investor will recognize gains as if the stock of the PFIC had been sold at fair market value on the “qualification date”, which is the first day of the

first taxable year of the PFIC with respect to which it is treated as a QEF with respect to the electing U.S. investor. Gains recognized from the deemed sale is taxed under the excess distribution rules. Losses realized on the deemed sale are not recognized.

The QEF election and the deemed sale election are generally made on Form 8621 ("Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund") on or before the due date, including extensions, for the income tax return with respect to the tax year to which the election relates.

The attached PFIC Annual Information Statements are being provided pursuant to the requirements of Treasury Regulation Section 1.1295-1(g) (1). These PFIC Annual Information Statements contain information to enable you, should you so choose based on the advice of your tax advisor in light of your personal tax circumstances, to elect to treat SGI as a QEF.

We have prepared the calculations based on the information available to us and to the best of our knowledge. Furthermore, during the 2013 Taxable Year, SGI indirectly held a share interest of less than 25 percent in several non-U.S. companies (the "Portfolio Investment Companies"). SGI will not be providing PFIC Annual Information Statements with respect to each of these investments because insufficient information is available to ascertain whether these entities are in fact PFICs or, if they are PFICs, SGI believes that the dollars involved are minimal.

U.S. Circular 230 Notice:

To ensure compliance with U.S. Circular 230, you are hereby notified that any discussion of U.S. federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used by any taxpayer for the purpose of (i) avoiding penalties that may be imposed under the United States Internal Revenue Code; (ii) promoting, marketing or recommending (within the meaning of Circular 230) to another party any matters addressed herein; (iii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Passive Foreign Investment Company (“PFIC”) Annual Information Statement

ANY TAX ADVICE IN THIS COMMUNICATION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY PERSON OR ENTITY FOR THE PURPOSE OF (i) AVOIDING PENALTIES THAT MAY BE IMPOSED ON ANY TAXPAYER OR (ii) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY MATTERS ADDRESSED HEREIN.

- 1 This Information Statement applies to the taxable year of Seabridge Gold Inc. (“SGI”) beginning on January 1, 2013 and ending on December 31, 2013 (the “2013 Tax Year”).
- 2 If you are a U.S. shareholder that has made or plans to make a qualifying electing fund election with respect to the common shares of SGI (“SGI Shares”), you may determine your pro rata share of ordinary earnings and net capital gain, respectively, as provided below:
 - Your pro rata share of the ordinary earnings and net capital gains for SGI for the 2013 Tax Year can be calculated by multiplying the number of SGI Shares you own by the amounts listed below.
 - Your pro rata share of cash or other property distributed or deemed distributed by SGI to you during the 2013 Tax Year can be calculated by multiplying the number of SGI Shares you own by the amounts listed below.
- 3 The following are the ordinary earnings, net capital gain amounts, cash and property distributions by SGI per SGI Share for the 2013 Tax Year:

	Ordinary Earnings¹	Net Capital Gain	Cash Distributions	Property Distributions
SGI	NONE	NONE	NONE	NONE

- 4 SGI will permit the U.S. shareholders to inspect and copy its permanent books of account, records, and such other documents as may be maintained by SGI to establish that SGI’s ordinary earnings and net capital gain, as defined in section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles, and to verify these amounts and the shareholders’ pro rata shares thereof.

Seabridge Gold Inc.



By:

Title: Vice President, Finance and CFO

Date: April 14, 2014

¹ The term “ordinary earnings” means the excess of the earnings and profits of the PFIC for the taxable year over its net capital gain for the same taxable year.

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- 1 This Information Statement applies to the taxable year of Seabridge Gold (NWT) Inc. (“NWT”) beginning on January 1, 2013 and ending on December 31, 2013 (the “2013 Tax Year”).
- 2 If you are a U.S. shareholder that has made or plans to make a qualifying electing fund election with respect to the common shares of NWT (“NWT Shares”), you may determine your pro rata share of ordinary earnings and net capital gain, respectively, as provided below:
 - Your pro rata share of the ordinary earnings and net capital gains for NWT for the 2013 Tax Year can be calculated by multiplying the number of NWT Shares you own by the amounts listed below.
 - Your pro rata share of cash or other property distributed or deemed distributed by NWT to you during the 2013 Tax Year can be calculated by multiplying the number of NWT Shares you own by the amounts listed below.
- 3 The following are the ordinary earnings, net capital gain amounts, cash and property distributions by NWT per NWT Share for the 2013 Tax Year:

	Ordinary Earnings¹	Net Capital Gain	Cash Distributions	Property Distributions
NWT	NONE	NONE	NONE	NONE

- 4 NWT will permit the U.S. shareholders to inspect and copy its permanent books of account, records, and such other documents as may be maintained by NWT to establish that NWT’s ordinary earnings and net capital gain, as defined in section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles, and to verify these amounts and the shareholders’ pro rata shares thereof.

Seabridge Gold (NWT) Inc.

By: 

Title: Vice President, Finance and CFO

Date: April 14, 2014

¹ The term “ordinary earnings” means the excess of the earnings and profits of the PFIC for the taxable year over its net capital gain for the same taxable year.