



**SEABRIDGE GOLD**

# **GOLD MARKET RESET**

*This is not your father's gold market*

JUNE 25, 2025



# A Dollar As Good As Gold

- ▶ The Bretton Woods system of monetary management (1944) established the gold exchange standard and fixed the exchange of Treasuries for gold at US\$35/oz
- ▶ On August 15, 1971, the United States stopped the convertibility to gold, ending the Bretton Woods system and making the U.S. dollar a fiat currency
- ▶ U.S. policy: move gold out of the global financial system and make the U.S. dollar and Treasuries dominate trade and reserves
- ▶ With gold out of the way, fiat and credit could explode

- ▶ A run on U.S. gold (1968 to 1971)
- ▶ Gold window closed (1971)

**1944**  
Bretton Woods  
Agreement establishes  
gold exchange standard

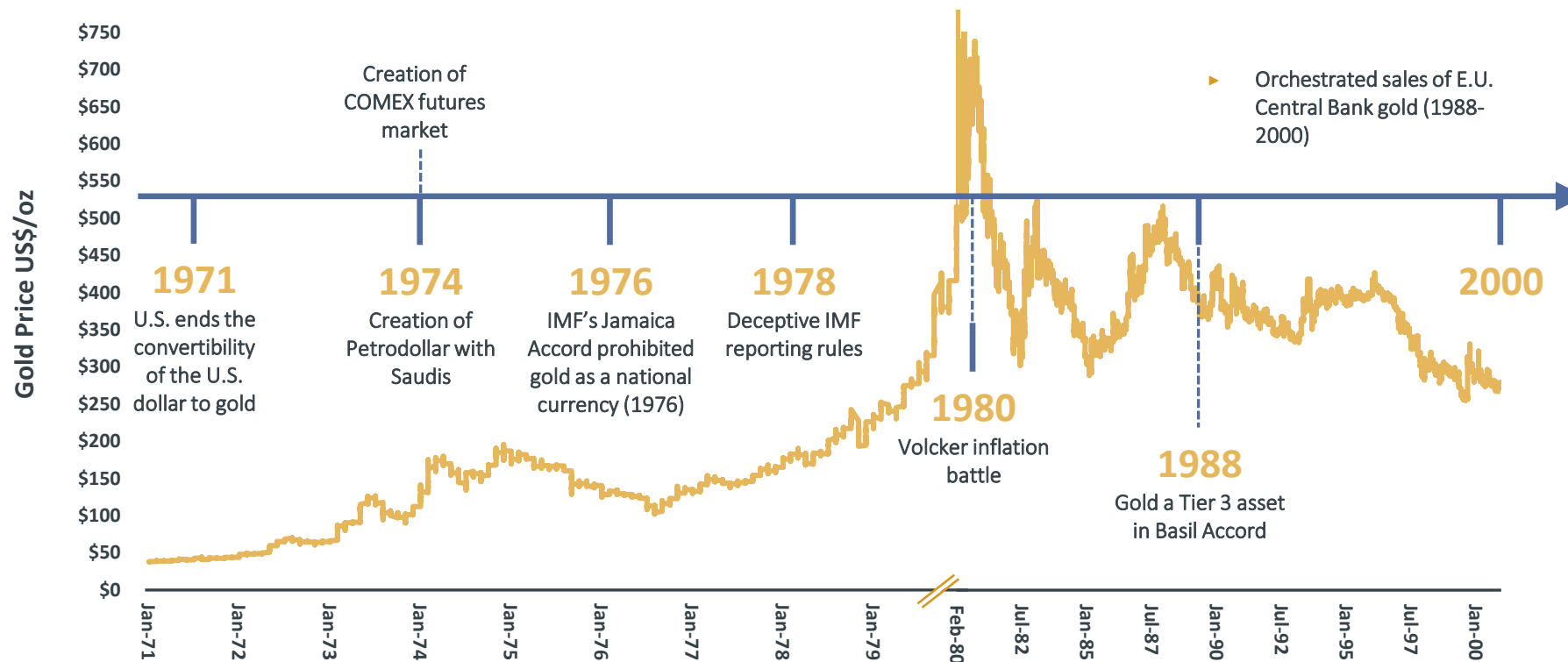
**1968**  
Gold Price: US\$35/oz

**1971**  
U.S. ends the  
convertibility of the U.S.  
dollar to gold



# Elements Of A Strong Dollar Policy

- ▶ Gold became a passive asset, Wall Street's pet roc,



Note: X-axis is not to scale



# The Dollar Explosion: Liquidity For Every Occasion

- ▶ The death of the strong dollar policy

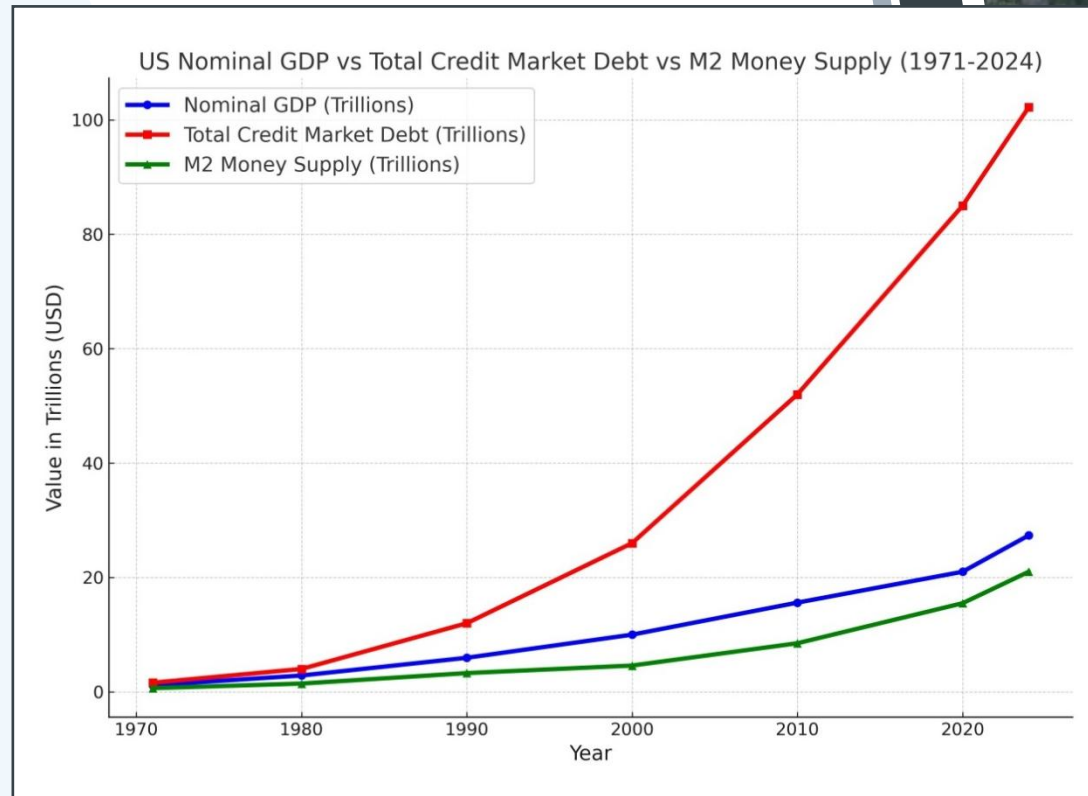


Note: X-axis is not to scale

# The Explosion of Unbacked CREDIT

## FROM 1971 TO 2024:

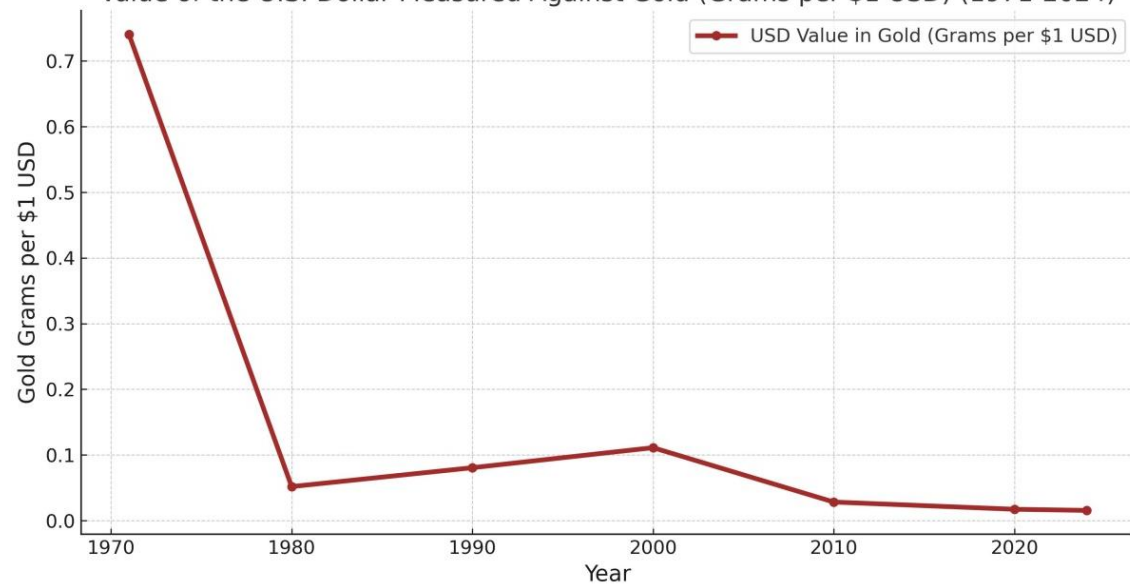
- ▶ Credit market debt grew from US\$398 billion to US\$102 trillion (**256x** increase)
- ▶ M2 money supply grew from US\$650 billion to US\$21.5 trillion (**33x** increase)
- ▶ Nominal GDP grew from US\$1.16 trillion to US\$30.3 trillion (**26x** increase)



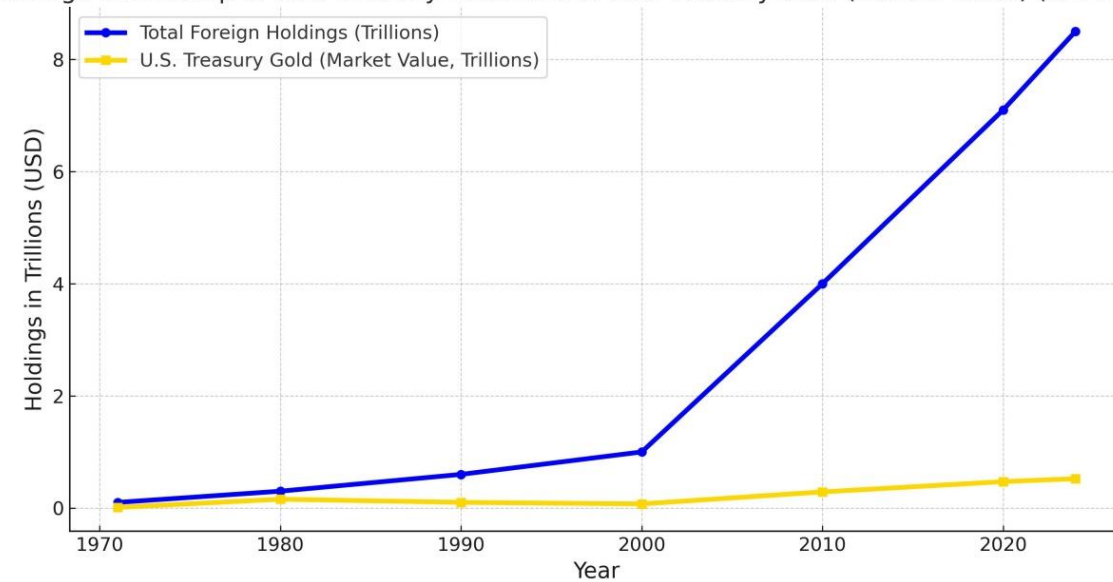


# The Erosion Of U.S. Financial Integrity (1)

Value of the U.S. Dollar Measured Against Gold (Grams per \$1 USD) (1971-2024)

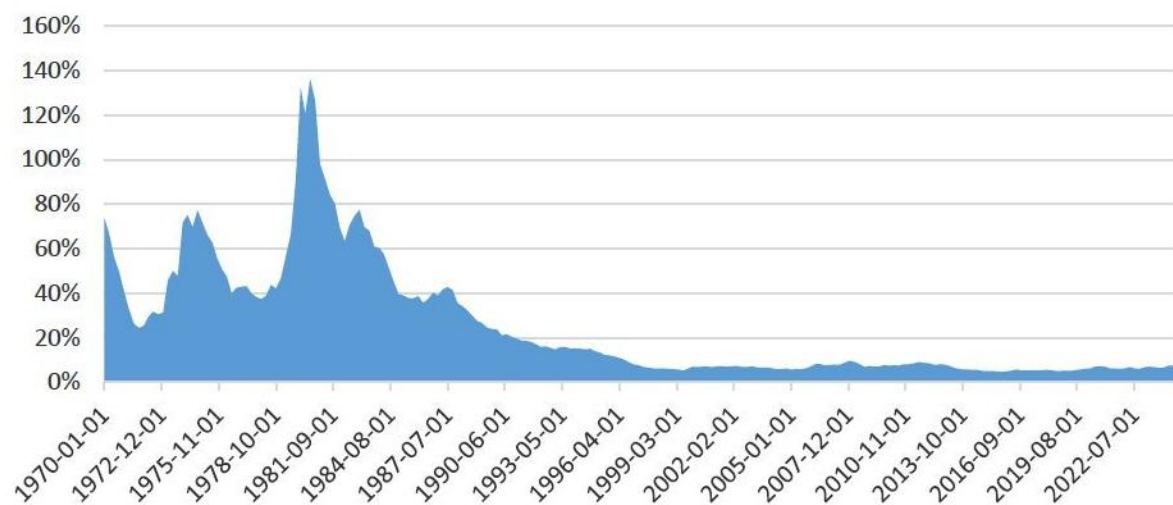


Foreign Ownership of U.S. Treasury Securities & U.S. Treasury Gold (Market Value) (1971-2024)



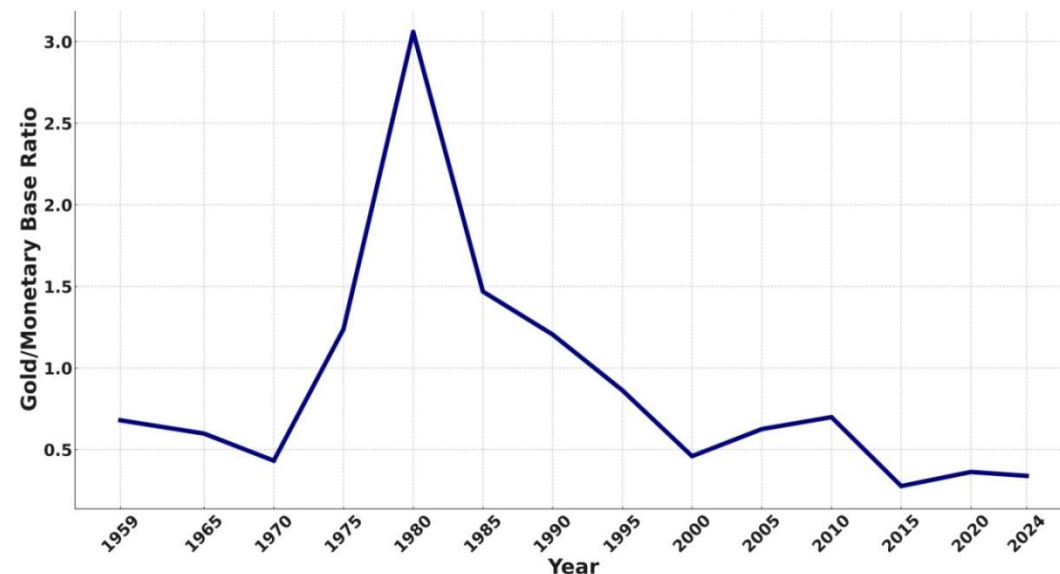
# The Erosion Of U.S. Financial Integrity (2)

Market Value of U.S. Official Gold as a % of Foreign Held US Treasuries



Source: Federal Reserve, FFTT

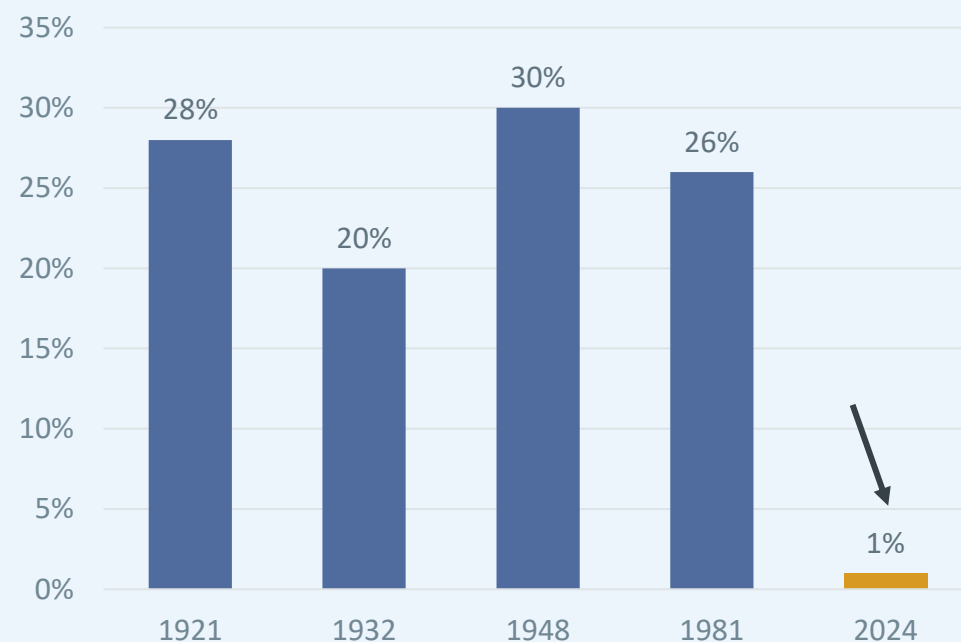
Gold Price to Adjusted Monetary Base Ratio  
(Quarterly, Year-End Samples)





# The Result: Gold And Gold Equities Are Grossly Under Owned

GOLD & GOLD MINERS AS A % OF TOTAL GLOBAL ASSETS



Source: Siberjunge.de; Erste Group Research; Lawrence Lepard  
2024 Data: Bloomberg; McKinsey & Company; Tavi Costa

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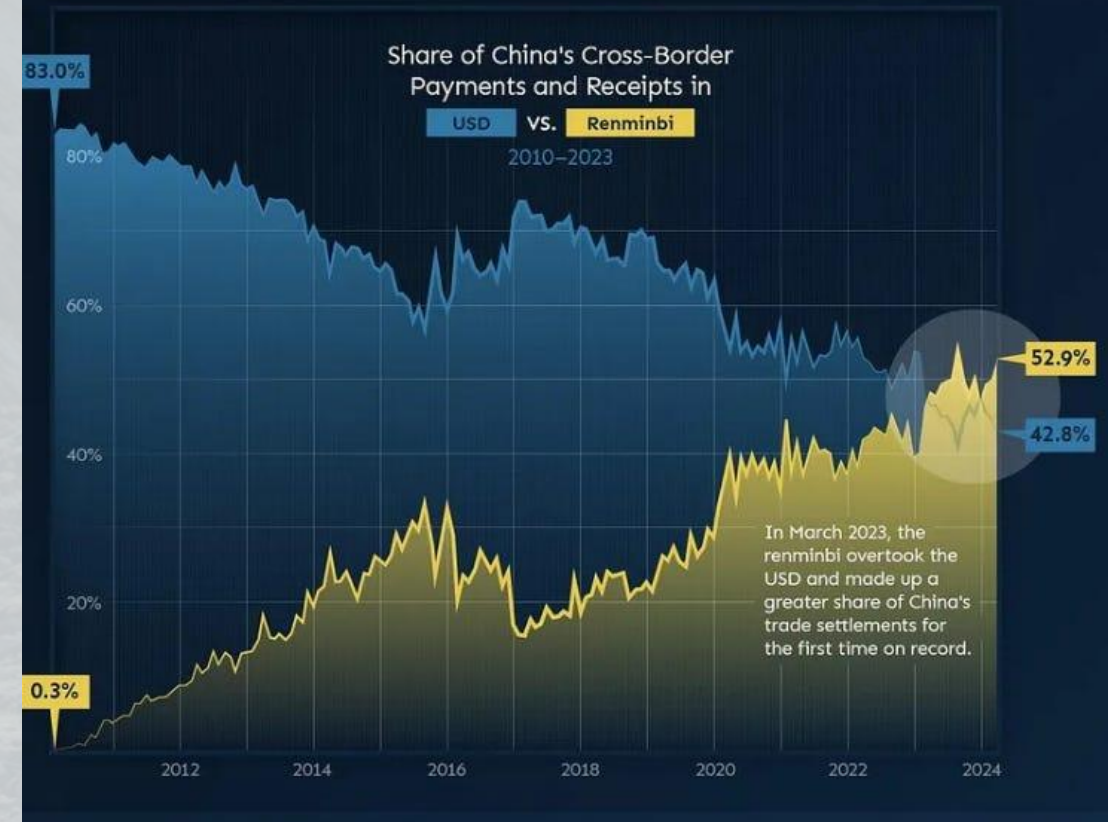
## Gold Returns to the Centre

- ▶ BRICS oil trade: gold replaces Petrodollar as final settlement
- ▶ U.S. deficits/debt go exponential
- ▶ U.S. sanctions create insecurity
- ▶ Central Banks replace Treasuries with gold
- ▶ Basel 3 (US implementation July 1, 2025) Gold is money again
- ▶ China moves SGE offshore to back the yuan with gold

## THE START OF DE-DOLLARIZATION

China's Gradual Move Away From the U.S. Dollar

The share of China's trade settled in renminbi has increased substantially over the last 15 years, surpassing the U.S. dollar (USD).





# Conclusion: Gold Is Undervalued vs Paper

- ▶ Last June we predicted US\$3,000/oz gold price within a year
- ▶ We now predict a reset of the gold market
- ▶ Only US\$20 trillion in gold can't back US\$400 trillion in financial assets
- ▶ The PBOC allows its insurance companies to replace bonds with gold
- ▶ Goldman Sachs recommends client institutions reduce bonds, add gold
- ▶ Gold is catching up to financial asset inflation
- ▶ Prediction: Over US\$12,000/oz gold price within three years





# SEABRIDGE GOLD

## CONTACT US

### HEADQUARTERS

#### Toronto, ON

- +1 416 367 9292
- +1 416 367 2711
- [info@seabridgegold.com](mailto:info@seabridgegold.com)
- 106 Front Street East, Suite 400  
Toronto, ON, Canada, M5A 1E1

#### Smithers, BC

- +1 250 847 4704
- +1 416 367 2711
- [ksm\\_community@seabridgegold.com](mailto:ksm_community@seabridgegold.com)
- 1330 Main Street  
Smithers, BC, Canada, V0J 2N0

#### Terrace, BC

- +1 250 847 4704
- [bpelletier@seabridgegold.com](mailto:bpelletier@seabridgegold.com)
- 101-4650 Lazelle Avenue  
Terrace, BC, Canada, V8G 1S6

#### Watson Lake, BC

- +1 867 536 2727 or +1 867 536 2728
- [susan@seabridgegold.com](mailto:susan@seabridgegold.com)
- 812A Adela Trail Unit#2, PO Box 655  
Watson Lake, Yukon, Y0A 1C0

