SEABRIDGE GOLD

GOLD MARKET UPDATE

June 28, 2023

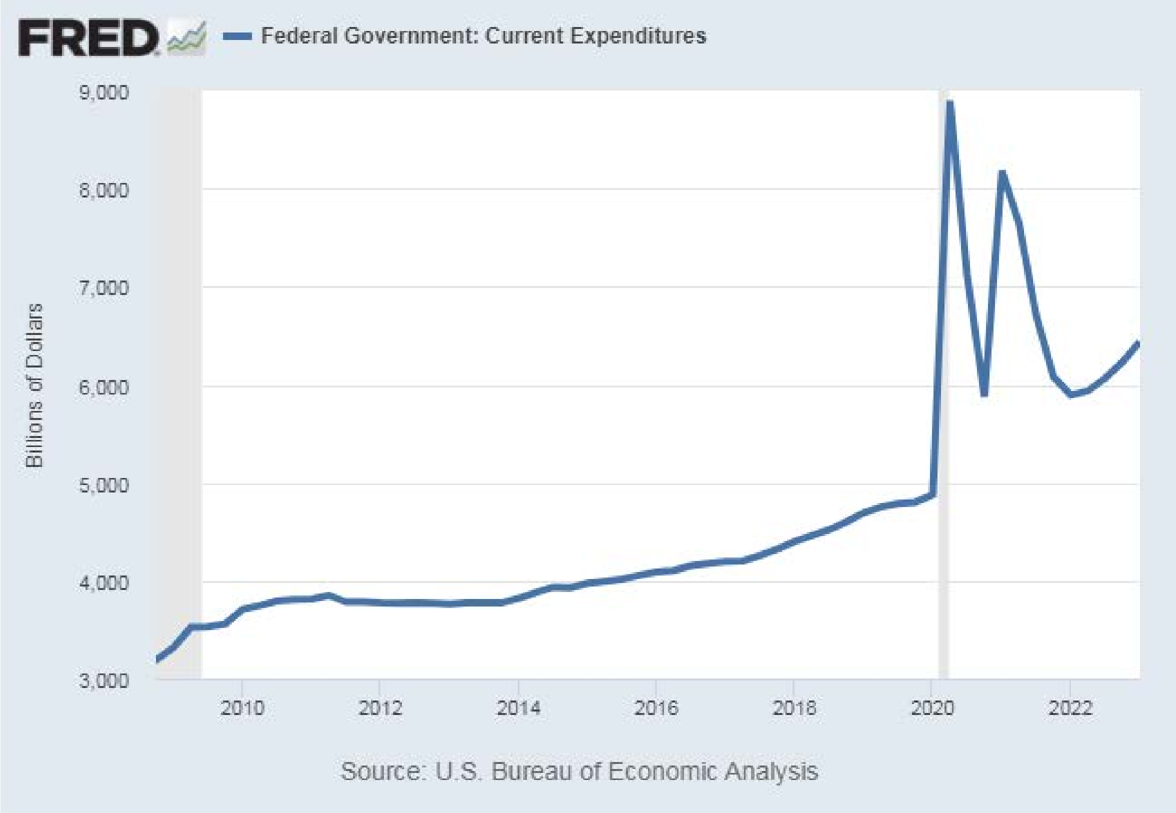
THE CASE FOR GOLD

The Gold Market: Our View

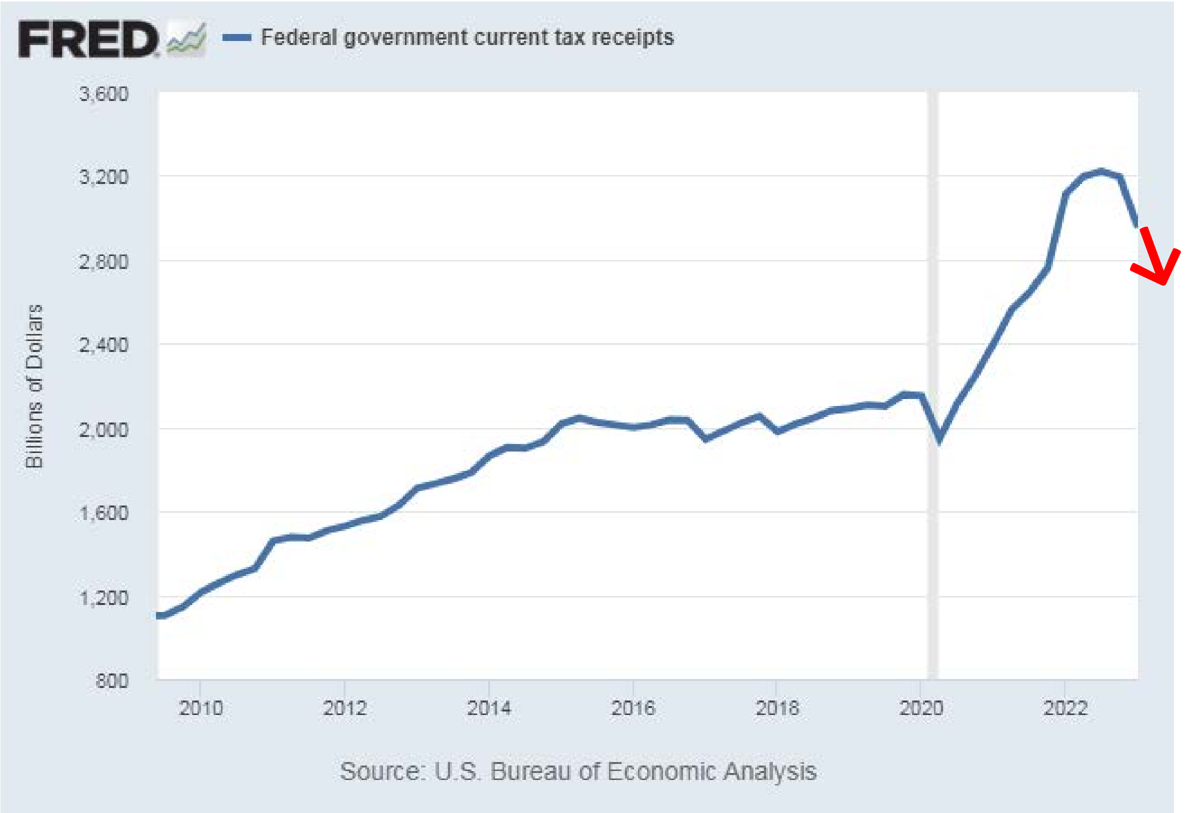
- Gold has performed well in the Fed's most aggressive rate hike cycle.
- US fiscal/monetary policies are unsustainable in an economic slowdown with inflation and higher rates.
- A $32T debt and an 8% of GDP deficit are too big to fund from private sources, driving up yields.
- The Fed will restart QE (YCC), sacrificing the dollar rather than the Treasury market.
- Gold responds to money printing with new highs.

ISSUE #1: THE U.S. IS FAST APPROACHING A SOVEREIGN DEBT CRISIS

- Government expenditures have increased substantially before the coming recession

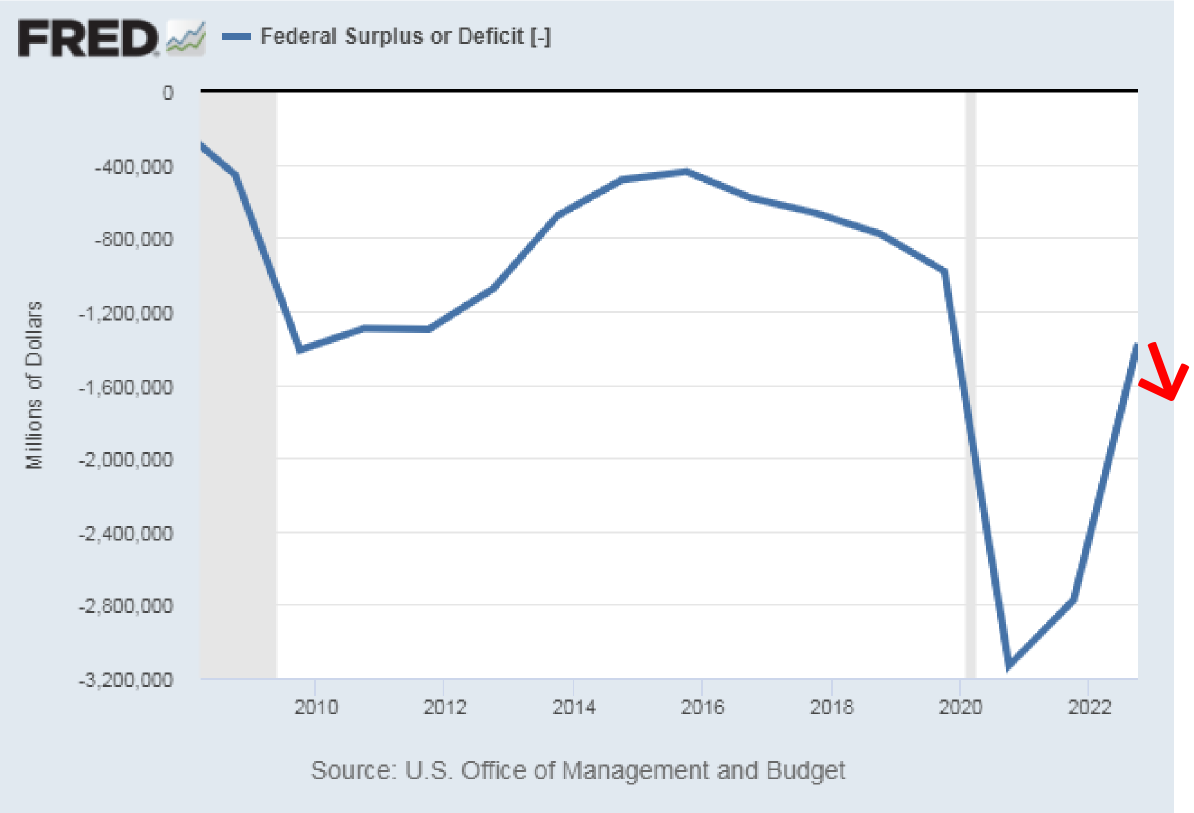


- As the economy nears recession and stock market gains fall, tax receipts are dropping fast

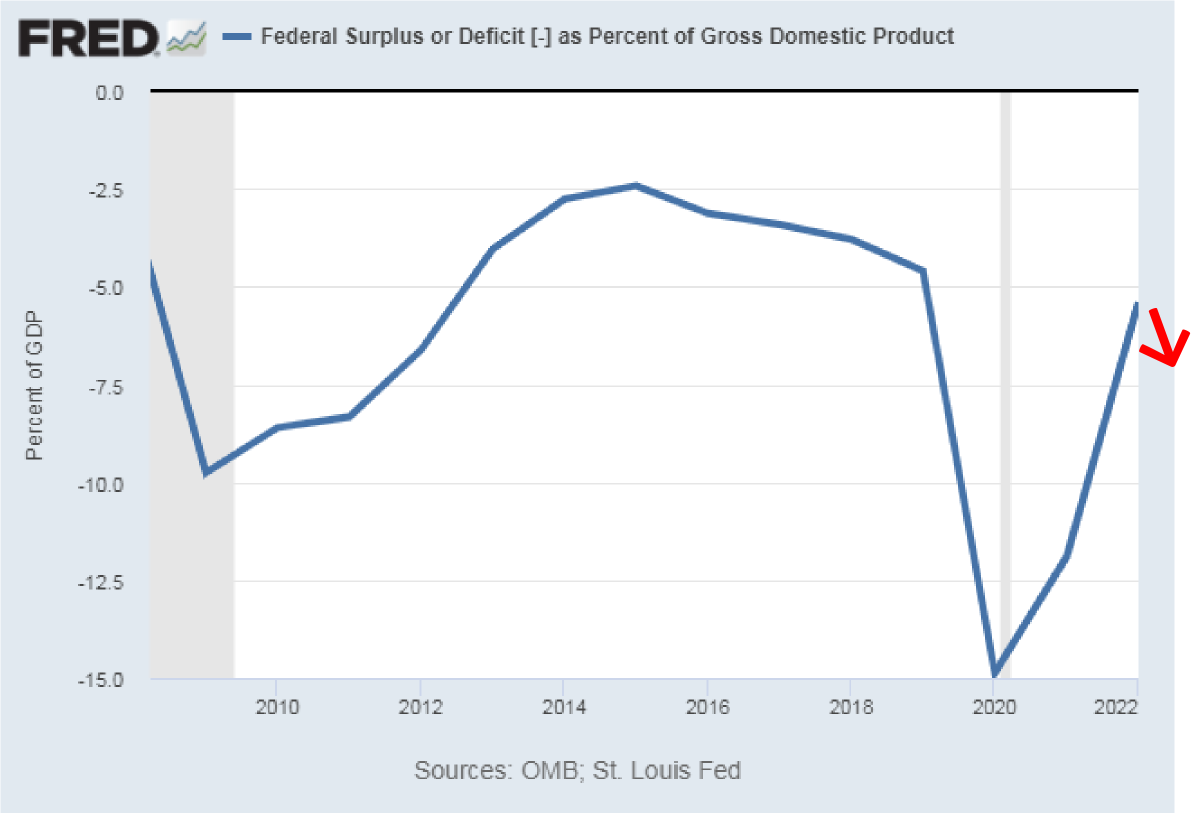


ISSUE #1: THE U.S. IS FAST APPROACHING A SOVEREIGN DEBT CRISIS (CONTINUED)

- With resolution of the debt ceiling, the current year fiscal deficit is projected to hit US$2.0 trillion. **Who will fund it?**



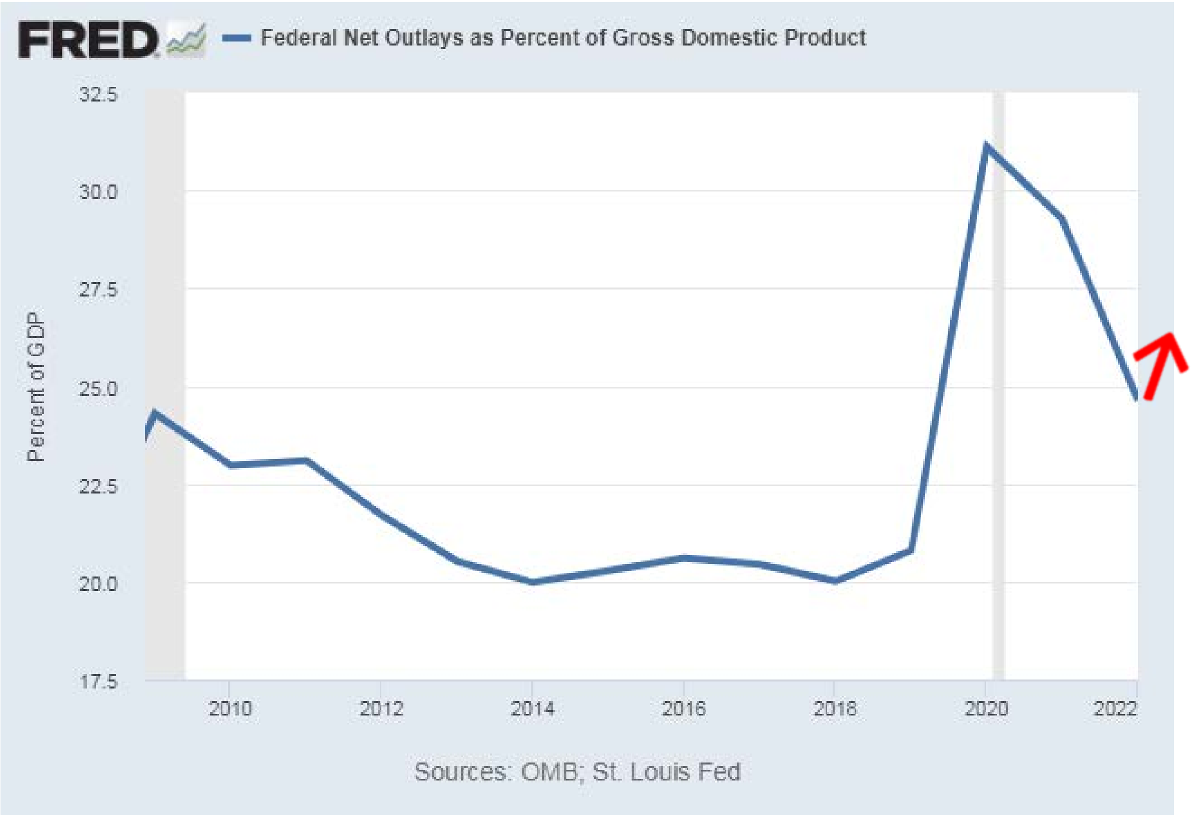
- Following the post-pandemic recovery, the fiscal deficit is currently at 8% of GDP



ISSUE #1: THE U.S. IS FAST APPROACHING A SOVEREIGN DEBT CRISIS (CONTINUED)

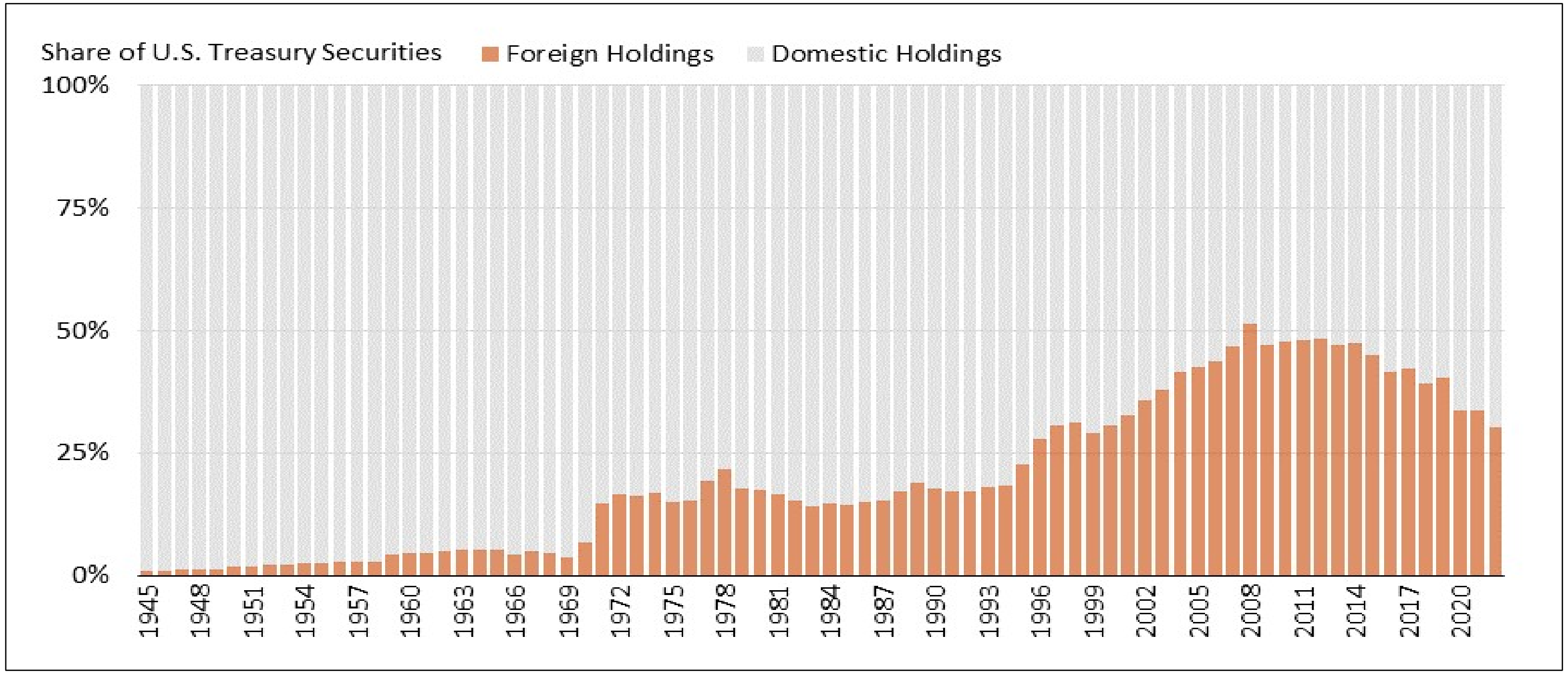
- Interest on the US$32 trillion debt balance is one third of tax receipts; 15% of the Federal budget and is rising every day!

- The Federal Government has become the economy. Cutbacks in fiscal spending are self defeating



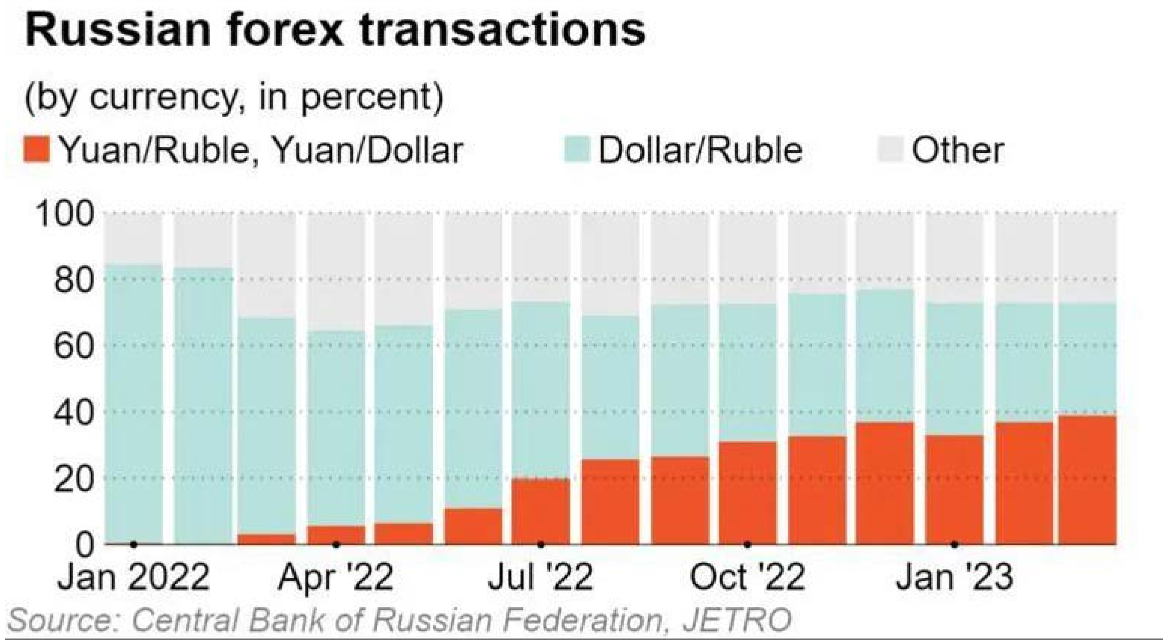
ISSUE #2: OIL IS LEAVING THE DOLLAR FOR GOLD

- "The dollar as good as gold for oil" has been the dominant FX theme since 1971
- The U.S. protected the dollar and replaced gold as the neutral currency of choice for oil exporters
- This supported disinflation and ultimately made 125% debt to GDP possible
- U.S. response to the Global Financial Crisis, the pandemic and Russian sanctions has smashed dollar confidence
- Foreign central banks began reducing their pro rata share of U.S. debt in 2014
- The dollar is losing its reserve asset status to gold
- The BRIC nations are now planning an alternative trading platform to avoid the dollar



ISSUE #2: OIL IS LEAVING THE DOLLAR FOR GOLD (CONTINUED)

- Saudis tying their oil to the U.S. dollar massively increased global U.S. dollar utility post-1973
- Russia is tying its oil and gas to CNY, which is rapidly increasing global utility of CNY, particularly as China also provides CNY convertibility into gold



GOLD IS RETURNING TO THE HEART OF THE FINANCIAL SYSTEM