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George Cross News Letter

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NO. 111 (2000)
JUNE 9, 2000

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SEABRIDGE RESOURCES INC.

[SEA-CDNX] 6,052,366 SHS.

PLACER DOME INC.

[PDG-T] 326,129,309 SHS.

BC MINERAL ACQUISITION PLANNED - Rudi Fronk, president,
reports Seabridge

Resources Inc. has signed a letter of Intent to acquire Placer Dome's 100% interest in the Kerr-Sulphside project located in the Iskut-Stikine River Region, about 20 km southeast of the Eskay Creek Mine in northwest BC. Total measured, indicated and inferred gold resources at the project are estimated at 3,400,000 ounces. Holding costs for the project are about \$75,000 per year.

The Kerr-Sulphside project consists of two distinct deposits which have been modelled separately by Placer Dome. Seabridge's interest in the project is primarily in the Sulphurets gold zone, part of a high-level gold-bearing acid alteration system. At Sulphurets, Placer Dome has estimated a total measured, indicated and inferred gold resource of 1,800,000 ounces of gold contained in 54,800,000 tonnes grading 1.02 grams gold/tonne at a 0.50 grams/tonne cut-off. About 72% of the total gold resource (i.e. 1,300,000 ounces) is within 50 metres of a drill intercept classified by Placer Dome as drill-indicated. The Sulphurets gold zone is the collective name for at least four intrusive centred gold-rich zones spanning about three km of strike length. The resource calculations made by Placer Dome were confined to 1,000 metres of the 3,000 metre strike length. Both Placer Dome and independent consultants to Seabridge have confirmed potential exists to significantly expand the known gold resource within the Sulphurets zone. A primary exploration target, identified by Placer Dome, is a potential higher-grade pipe within the defined gold Breccia Zone.

The Kerr deposit has been modelled by Placer Dome as a copper, gold porphyry system with total measured, indicated and inferred resources estimated at 140,800,000 tonnes grading 0.75% copper (2.3 billion pounds of copper) and 0.36 grams gold/tonne (1,600,000 oz. gold) at a 0.40% copper grade cut-off. About 52% of the total Kerr resource is within 50 metres of a drill intercept and has been classified by Placer Dome as drill-indicated.

Closing of the transaction is subject to Placer Dome obtaining a satisfactory release of its environmental obligations associated with the project, Seabridge obtaining the approval of the Canadian Venture Exchange and the signing of a formal purchase and sale agreement. At closing, Seabridge will issue Placer Dome 500,000 shares; 500,000 warrants exercisable by Placer Dome at \$2.00 per share for two years; and a 1% net smelter royalty interest on the project, capped at \$4,500,000.

Additionally, Seabridge will be obligated to buy the 1% NSR from Placer Dome for \$4,500,000 in the event a positive feasibility study demonstrates a 10% internal rate of return after tax and financing costs.

Mr. Fronk stated, "The Kerr-Sulphside deposits are not economic at current metal prices. However, our strategy is precisely to acquire this kind of asset as a perpetual call option on gold for our shareholders. When combined with the Grassy Mountain project in Oregon, Kerr-Sulphside will increase the company's measured and indicated gold resources to above 3,000,000 ounces, and total gold resources to some 4,500,000 ounces. Holding costs on this total gold resource base, excluding acquisition costs, are less than \$200,000 per year." (SEE GCNL NO.85, 3May2000, P.4 FOR GRASSY MOUNTAIN PROJECT INFORMATION)

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