Sandspring Resources Ltd.

Condensed Consolidated Interim Financial Statements
(Unaudited)
Expressed in Canadian Dollars
Three Months Ended March 31, 2015 and 2014

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

As at		**3/31/2015**	12/31/2014
ASSETS	**Notes**	**$**	$
Current			
Cash		**90,290**	294,747
Restricted cash	4	**159,368**	145,967
Prepaid expenses		**195,375**	138,406
		445,033	579,120
Equipment	7	**661,136**	845,731
Mineral properties under exploration	8	**25,061,071**	25,061,071
		26,167,240	26,485,922
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**1,727,321**	1,015,939
Deposit on sale of mineral interest	8	**633,300**	-
		2,360,621	1,015,939
Non-current liabilities			
Deferred property obligation	8	**698,173**	610,778
Deferred management compensation	9	**573,266**	255,024
Deferred revenue	10	**14,358,600**	14,358,600
		15,630,039	15,224,402
SHAREHOLDERS' EQUITY			
Common Shares	11	**118,204,900**	118,204,900
Warrant Reserve	13	**946,993**	946,993
Contributed Surplus		**3,738,731**	3,058,659
Stock Option Reserve	12	**6,209,008**	6,885,709
Deficit		**(120,923,052)**	(118,850,680)
		8,176,580	10,245,581
		26,167,240	26,485,922

Going Concern - Note 1

Commitments - Note 17

Subsequent events - Notes 15 and 18

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

(Expressed in Canadian Dollars, Except Share and Per Share Amounts) *(Note 8)*

	Notes	**Three Months Ended 3/31/2015** $	Three Months Ended 3/31/2014 $
Expenditures			
Administrative		**91,797**	124,561
Consulting		**72,138**	1,969,182
Depreciation	7	**187,077**	208,384
Foreign exchange loss (gain)		**119,746**	(524,971)
Operations		**624,839**	1,305,900
Other		**3,884**	11,688
Professional fees		**112,728**	86,127
Salaries and other employee benefits		**741,388**	1,293,638
Shareholder information		**23,170**	69,283
Stock based compensation		**3,371**	27,277
Transfer, listing and filing fees		**38,266**	31,819
Travel		**53,977**	193,056
		2,072,381	4,795,944
Other			
Interest income		**9**	2,316
		9	2,316
Net loss and comprehensive loss for the period		**(2,072,372)**	(4,793,628)
Loss per share	14		
Basic		**(0.01)**	(0.04)
Diluted		**(0.01)**	(0.04)
Weighted average number of shares outstanding			
Basic		**142,685,681**	132,358,606
Diluted		**142,685,681**	132,358,606

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

(Expressed in Canadian Dollars)

Three Months Ended March 31, 2014	Common Shares	Contributed Surplus	Warrant Reserve	Stock Option Reserve (Note 8)	Deficit	Total
	$	$	$	$	$	$
Balance, December 31, 2013	**117,099,645**	**2,208,490**	-	**7,671,317**	**(102,663,345)**	**24,316,107**
Stock based compensation	-	-	-	27,277	-	27,277
Stock options expired	-	22,295	-	(22,295)	-	-
Net loss for the period	-	-	-	-	(4,793,628)	(4,793,628)
Balance, March 31, 2014	**117,099,645**	**2,230,785**	**-**	**7,676,299**	**(107,456,973)**	**19,549,756**

Three Months Ended March 31, 2015	Common Shares	Contributed Surplus	Warrant Reserve	Stock Option Reserve	Deficit	Total
	$	$	$	$	$	$
Balance, December 31, 2014	**118,204,900**	**3,058,659**	**946,993**	**6,885,709**	**(118,850,680)**	**10,245,581**
Stock based compensation	-	-	-	3,371	-	3,371
Stock options expired	-	680,072	-	(680,072)	-	-
Net loss for the period	**-**	**-**	**-**	**-**	(2,072,372)	(2,072,372)
Balance, March 31, 2015	**118,204,900**	**3,738,731**	**946,993**	**6,209,008**	**(120,923,052)**	**8,176,580**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

SANDSPRING RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW
(Unaudited)

(Expressed in Canadian Dollars)

			(Note 8)
		Three Months Ended 3/31/2015	Three Months Ended 3/31/2014
Cash (used in) provided by:	**Notes**	**$**	$
Operating Activities			
Net loss for the period		**(2,072,372)**	(4,793,628)
Adjustments for:			
Depreciation		**187,077**	208,384
Stock-based compensation		**3,371**	27,277
Accretion of deferred property obligation	8	**87,395**	36,034
Deferred management compensation	9	**318,242**	-
Change in non-cash working capital:			
Prepaid expenses		**(56,969)**	(212,674)
Accounts payable		**711,382**	(209,724)
		(821,874)	(4,944,331)
Investing Activities			
Restricted Cash		**(13,401)**	(5,272)
Deposit on sale of mineral interest	8	**633,300**	-
Purchase of equipment	7	**(2,482)**	(1,248)
		617,417	(6,520)
Cash beginning of period		**294,747**	14,460,919
Change in cash		**(204,457)**	(4,950,851)
Cash end of period		**90,290**	9,510,068

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Corporate Information and Going Concern

Sandspring Resources Ltd. ("Sandspring" or "the Company") is a resource exploration company, incorporated in Canada on September 20, 2006 under the Business Corporations Act (Alberta). The Company continued out of Alberta and into Ontario effective March 31, 2010. Sandspring is focused on the exploration for, and resource expansion of, gold and related minerals in Guyana, South America. Sandspring's principal place of business is located at 9137 East Mineral Circle, Suite 180, Centennial, Colorado in the United States of America.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2015, the Company had a working capital deficit of $1,915,588 (December 31, 2014 - $436,819) and accumulated deficit of $120,923,052 (December 31, 2014 - $118,850,680), incurred losses in the three months ended March 31, 2015 amounting to $2,072,372 (three months ended March 31, 2014 - $4,793,628) and had negative cash flows from operating activities in the three months ended March 31, 2015 of $821,874 (three months ended March 31, 2014 - $4,944,331). At March 31, 2015, the remaining budgeted expenditures for completion of the feasibility study exceeded the Company's working capital and as a result the Company requires additional financing to complete the feasibility study and fund associated corporate overhead costs. On April 22, 2015, the Company negotiated additional financing, including amending its Gold Purchase Agreement with Silver Wheaton Corp. ("Silver Wheaton"), whereby Silver Wheaton has agreed to fund US$2 million during the year ending December 31, 2015. Management believes this additional funding in tandem with other financing initiatives will be sufficient to finance the remaining work to complete the feasibility study and corporate overhead costs in 2015, however, there is no certainty that the funding will be sufficient or budgeted expenditures will be achieved, in which case additional financing will be required. In addition, the Company will require further financing to continue operations beyond December 31, 2015.

The Company is obligated to deliver a final feasibility study before December 31, 2016. The Company's ability to finance activities after completion of the feasibility study is dependent on whether Silver Wheaton elects to finance the project costs for construction of the Company's Toroparu Project in Upper Puruni, Guyana (the "Toroparu Project") as well as on raising equity financing to fund operating and investing activities, including the construction of the Company's Toroparu Project not financed by Silver Wheaton. There are no assurances Silver Wheaton will make the election to fund the Toroparu Project, or that the Company will be successful in raising equity financing, or if available, on terms acceptable to the Company.

These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of Presentation

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC and therefore should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2014.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 4, 2015

Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries; Sandspring Resources (USA) Ltd. ("Sandspring USA"), GoldHeart Investment Holdings Ltd. ("GoldHeart") and ETK Inc. ("ETK"). Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All inter-Company transactions and balances are eliminated in full.

3. Significant Accounting Policies

Except as disclosed below, the significant accounting policies have not changed from the significant accounting policies presented in the audited consolidated financial statements for the year ended December 31, 2014.

Future accounting changes

IFRS 9 *Financial Instruments*

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. In July 2014, the IASB issued the final version of IFRS 9 with a mandatory effective date for annual periods beginning on or after January 1, 2018. The Company does not intend to early adopt IFRS 9 in its financial statements for the annual period beginning January 1, 2015 but will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements based on the characteristics of its financial instruments up to the date of adoption.

IFRS 15 *Revenue*

Revenue from contracts with customers ("IFRS 15") replaces IAS 18 Revenue, IAS 11 Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue at either a point in time or over time. The model features a five-step analysis of transactions to determine when and how much revenue should be recognized. New estimates and 6 judgmental thresholds were introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is applicable for annual reporting beginning on or after January 1, 2017, at which time the Company intends to adopt the standard. The Company will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements up to the date of adoption.

4. Restricted Cash

Restricted cash consists of $159,368 (December 31, 2014 - $145,967) held as security for performance bonds in favor of the Guyana Geology and Mines Commission ($146,293) and the Guyana Customs and Trade Administration ($13,075).

5. Capital Management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be total shareholders' equity (managed capital) which at March 31, 2015, totaled $8,176,580 (December 31, 2014 - $10,245,581).

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fundraising.

The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2015. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2014 and March 31, 2015 the Company is not compliant with Policy 2.5. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

6. Financial Instruments

The Company's activities potentially expose it to a variety of financial risks including credit risk, liquidity risk, currency risk, and interest rate risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and restricted cash. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash and restricted cash with reputable financial institutions, from which management believes the risk of loss to be minimal.

Liquidity Risk and Fair Value Hierarchy

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash primarily through its financing activities. The Company has cash of $90,290 (December 31, 2014 – $294,747) to settle current liabilities of $1,727,321 (December 31, 2014 – $1,015,939). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity (Note 1). The Company is actively seeking additional sources of liquidity.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2015:

	Level 1	Level 2	Level 3	Total
Financial Instruments				
Cash	$ 90,290	$ -	$ -	$ 90,290
Restricted cash	159,368	-	-	159,368
	$ 249,658	$ -	$ -	$ 249,658

Currency Risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Guyana on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The Company maintains US dollar bank accounts in the United States, British Virgin Islands, and Guyana, and Guyanese dollar bank accounts in Guyana. The Company is subject to gains and losses from fluctuations in the US dollar and Guyanese dollar against the Canadian dollar. The

Company manages its currency risk by maintaining resources in its USD bank accounts sufficient to meet its USD operational requirements.

The following table summarizes, in Canadian dollar equivalents, the Company's major foreign currency exposures as of March 31, 2015 to the US dollar. The Company's exposure to the currency risk of Guyanese dollars is not material.

Cash	$	248,587
Accounts payable and accrued liabilities		(1,473,566)
Total	$	(1,224,979)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments as at March 31, 2015 with all other variables held constant. It shows how comprehensive loss would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

	Sensitivity Analysis, Change in USD		Increase (decrease) in net income
Decrease in Net Income	-1%	$	12,250
Increase in Net Income	1%	$	(12,250)

(Expressed in Canadian Dollars)

7. Equipment

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Total
Cost						
As at December 31, 2014	$ 74,861	$ 2,892,138	$ 308,408	$ 149,605	$ 311,948	$ 3,736,960
Additions	-	-	-	-	2,482	2,482
Disposals	-	-	-	-	-	-
As at March 31, 2015	$ 74,861	$ 2,892,138	$ 308,408	$ 149,605	$ 314,430	$ 3,739,442
Accumulated Depreciation						
As at December 31, 2014	$ 66,199	$ 2,180,444	$ 230,051	$ 120,275	$ 294,260	$ 2,891,229
Disposals	-	-	-	-	-	-
Charge for the period	2,126	156,040	17,415	7,294	4,202	187,077
As at March 31, 2015	$ 68,325	$ 2,336,484	$ 247,466	$ 127,569	$ 298,462	$ 3,078,306
Net Book Value						
As at December 31, 2014	$ 8,662	$ 711,694	$ 78,357	$ 29,330	$ 17,688	$ 845,731
As at March 31, 2015	$ 6,536	$ 555,654	$ 60,942	$ 22,036	$ 15,968	$ 661,136

8. Mineral Properties Under Exploration

The Company holds a 242,690.8 acre (98,214 hectare) mineral exploration concession area in the Upper Puruni River Area, Region 7 of northwestern Guyana, South America referred to as the "Upper Puruni Property". The Upper Puruni Property consists of seven small scale claims, 167 contiguous medium scale prospecting permits ("PPMSs") and 13 medium scale mining permits ("MPs") that together cover an area of 184,693 acres (74,742 hectares) and five contiguous prospecting licenses ("PLs") that cover an area of 57,997 acres (23,471 hectares). The Upper Puruni Property is currently the Company's sole resource property, which is held and operated through ETK, the Company's wholly-owned subsidiary.

ETK has rights to 148 PPMSs, ten MPs and seven small scale claims pursuant to the Upper Puruni Agreement (the "Upper Puruni Agreement"), an agreement between ETK and Mr. Alfro Alphonso. The Toroparu Project is subject to the terms of the Upper Puruni Agreement.

The Upper Puruni Agreement stipulates that ETK is the sole operator and has the sole decision-making discretion in all matters related to the conduct of prospecting, exploration, development activities, and mining activities for the recovery of gold or other metals, minerals or gemstones from the lands. An in-kind royalty of 6% is payable to Mr. Alphonso on all gold and other mineral production from the claims subject to the Upper Puruni Agreement. The Upper Puruni Agreement provides that ETK shall commence commercial production, defined as production of 50,000 ounces of gold per year, beginning on January 1, 2013 or in lieu thereof pay Mr. Alphonso an annual sum of the Guyana dollar equivalent of US$250,000 until commercial production has commenced. As production was not achieved by January

(Expressed in Canadian Dollars)

1, 2013, the Upper Puruni Agreement required that ETK pay a penalty of US$250,000 to Mr. Alphonso, which the Company paid in January of 2013.

On November 1, 2013, the Company agreed to an amendment of the Upper Puruni Agreement. The agreement previously stated that in the event ETK had not achieved commercial production by January 1, 2017, Mr. Alphonso had the right to declare a default under the terms of the agreement. The agreement was amended to extend the deadline for achieving commercial production by three years, to January 1, 2020. Further, ETK shall pay to Mr. Alphonso the Guyana Dollar equivalent of the sum of US$1,000,000 on or before June 30, 2018. On November 1, 2013 the Upper Puruni Agreement was also amended to provide that only six of the ten MPs would be included in the mining license.

During the year ended December 31, 2014, management identified that completion of the amendment to the Upper Puruni Agreement signed on November 1, 2013 resulted in a legal obligation that should have been accrued for during the year ended December 31, 2013. On the Company's audited consolidated financial statements for the years ended December 31, 2014 and 2013, the Company therefore recast comparative information as at December 31, 2013 to adjust for the immaterial impact of the $466,644 (being the discounted amount of the US$1,000,000 from the payment due date of June 30, 2018 to the date of the obligation on November 1, 2013) obligation payable to Mr. Alphonso. Additional details pertaining to this recast may be found in note 8 of the Company's December 31, 2014 audited financial statements. The impact of the recast on the Company's comparative statement of operations was an increase in the reported net loss and comprehensive loss of $36,034. There was no impact on the loss per share in the statement of operations and comprehensive loss for the three months ended March 31, 2014 or cash provided by operating activities in the statement of cash flow for the three months ended March 31, 2014.

The following table shows the continuity of the discounted long term liability:

Balance, December 31, 2013	**$**	**466,644**
Additions:		
Accretion	$	96,947
Foreign exchange		47,187
Balance, December 31, 2014	**$**	**610,778**
Additions:		
Accretion	$	30,696
Foreign exchange		56,699
Balance, March 31, 2015	**$**	**698,173**

On April 22, 2014, Mr. Alphonso and the Company amended the Upper Puruni Agreement, such that the 2014 penalty of US$250,000 as due and payable will be paid on the due date of the penalty for the 2015 calendar year. In January 2015, the 2014 penalty payment was made. On April 24, 2015, the Upper

(Expressed in Canadian Dollars)

Puruni Agreement was further amended, confirming the agreement of the parties that the 2015 penalty was deferred to two installments of US$150,000 on April 30, 2015 and a second payment of US$100,000 on June 30, 2015.

The Upper Puruni Agreement also gives ETK the option of purchasing all of Mr. Alphonso's interest in the Upper Puruni Property, except his right to continue to conduct alluvial mining on the property, for the sum of US$20 million. This buy-out option does not have an expiry date. The right of the Company to continue development of the PPMSs and MPs could be impacted if the buy-out option is exercised prior to the conversion of the PPMSs and MPs to large scale licenses. There are no credits against the US$20 million option price for royalty or other payments made by ETK to Mr. Alphonso.

As at March 31, 2015, the carrying amount of the Company's interest in mineral properties is as follows:

	March 31, 2015	December 31, 2014
Toroparu	$ 25,061,071	$ 25,061,071

The carrying value of mineral properties under exploration represents the cost of acquired properties. All costs related to exploration activities are expensed as incurred. Mineral properties under exploration are not depreciated, and will be reclassified once technical feasibility and commercial viability can be demonstrated.

The following table sets forth a breakdown of material components of the Company's exploration expenditures for the three months ended March 31, 2015 and 2014.

	Three Months Ended	
	3/31/2015	3/31/2014
Upper Puruni Exploration Costs		
Camp Expenses	$ 240,143	$ 710,924
Consulting	8,368	29,466
Depreciation	185,573	165,266
Engineering Studies	37,235	1,877,487
Lab Fees	-	146,938
Office and Administrative Costs	24,384	105,381
Salaries and Benefits	461,470	648,101
Travel and Accommodation	26,226	157,717
Production Commitment Fees	306,896	327,497
Prospecting Licenses	91,375	161,806
Total Exploration Costs	$ 1,381,670	$ 4,330,583

On January 29, 2015, ETK entered into a transaction ("Joint Venture") with Guyana Ventures LLC, a Colorado limited liability company ("Guyana Ventures") on terms set out in a term sheet under which Guyana Ventures will acquire, subject to certain conditions including the approval of the TSX Venture Exchange and Silver Wheaton, from ETK 50% of its interest in a property (the "Godette Property") adjoining the Toroparu Project. There has been exploration work conducted on the Godette Property but the Company also considers the area to be prospective for the recovery of alluvial gold with a small-scale alluvial mining operation.

Guyana Ventures acquired its position in the Joint Venture in exchange for a $633,300 (US$500,000) non-refundable cash deposit. This amount is approximately equal to ETK's out-of pocket acquisition expenditures on the Godette Property to date. ETK will contribute equipment to the operations but is not obligated to provide any funding to the operation for the first two years. Thereafter, ETK and Guyana Ventures shall contribute funds necessary for operations in an amount equal to its then ownership percentage of the Joint Venture.

Revenue from the mining operations will be used to pay all of ETK's expenses incurred in maintaining its operations in Guyana whether or not the expenses are directly attributable to the mining operations. Profits from the Joint Venture operation will be distributed on a priority basis to Guyana Ventures until Guyana Ventures has received distributions equal to three times the cash deposit. Thereafter, the profits shall be utilized to fund further exploration activity on the Godette Property unless ETK and Guyana Ventures mutually agree to distribute some or all of the profits to each of them.

This Transaction is conditional upon receipt of approval from Silver Wheaton. As of March 31, 2015, the transaction had not closed.

9. Deferred Management Compensation

At March 31, 2015, the Company has recognized $573,266 (December 31, 2014 - $255,024) pertaining to management compensation and severance amounts owed in connection with a corporate restructuring occurring in the fourth quarter of 2014. On March 31, 2015, the Company amended the deferred compensation agreements resulting in a further $301,352 being deferred. In accordance with underlying agreements, all parties have agreed to defer payment of the balances owed, subject to certain liquidity conditions of the Company and at the discretion of the compensation committee, until December 31, 2017.

10. Deposit on Gold Purchase Agreement and Deferred Revenue

On November 11, 2013 the Company announced that it had entered into a Gold Purchase Agreement ("GPA") with Silver Wheaton under which Silver Wheaton, will pay the Company upfront cash payments totaling US$148.5 million for 10% of the payable gold production from ETK's Toroparu Project in Guyana, South America. In addition, Silver Wheaton will make ongoing payments to the Company of the lesser of the market price and US$400 per payable ounce of gold delivered to Silver Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting after the third year of production.

(Expressed in Canadian Dollars)

The Company received an initial draw down of US$13.5 million of the cash payment on December 23, 2013 to be used primarily for advancement of the final feasibility documentation for the Toroparu Project. The balance of the US$148.5 million is subject to Silver Wheaton's election to proceed and is payable in installments during construction of the Toroparu Project once all necessary mining licenses have been obtained and conditions pertaining to final feasibility, the availability of project capital finance, the granting of security to Silver Wheaton and other customary conditions are satisfied. If the feasibility documentation has not been provided by December 31, 2016 or following the receipt of such feasibility documentation Silver Wheaton elects not to proceed, the Company may elect to either return US$11.5 million to Silver Wheaton and terminate the agreement or reduce the stream percentage from 10% to 0.774%. In the event the Company does not deliver sufficient gold to repay the total balance of the deposit, the Company will be required to pay any remaining balance in cash.

11. Share Capital

The Company is authorized to issue an unlimited amount of common shares. The common shares do not have a par value. The issued and outstanding common shares consist of the following:

	Number of Common Shares	Amount
Balance, December 31, 2014	142,685,681	$ 118,204,900
Balance, March 31, 2015	142,685,681	$ 118,204,900

12. Stock Options

The Company's stock option plan was established by the shareholders of the Company on March 16, 2007, for the purpose of advancing the interests of the Company by encouraging the directors, officers, and employees of the Company, and of its subsidiaries and affiliates, to acquire common shares in the share capital of the Company, thereby increasing their interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The number of stock options that may be granted under the plan is limited to not more than 10% of the issued common shares of the Company at the time of the stock option grant. The exercise price of stock options granted in accordance with the plan will be not less than the closing price of the common shares on the trading day immediately prior to the effective date of grant.

The Company records a charge to the statement of operations and comprehensive loss account using the Black-Scholes fair valuation option pricing model. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Due to the Company's small sample of historic share price, the Company also references the volatility of the closing share price of a group of industry peers in its calculation of volatility. The following table shows the continuity of stock options during the period:

(Expressed in Canadian Dollars)

	Number of Options	Allocated Value of Vested Options	Weighted Average Exercise Price
Balance, December 31, 2014	8,899,750	$ 6,885,709	$ 1.33
Value of options vested during the period	-	3,371	-
Expired	(730,000)	(680,072)	1.56
Balance, March 31, 2015	8,169,750	$ 6,209,008	$ 1.31

The following are the stock options outstanding as at March 31, 2015:

Expiry Date	Options Outstanding	Exercise Price	Remaining Contractual Life (Yrs)	Options Exercisable
July 7, 2015	295,000	$ 1.24	0.27	295,000
January 6, 2016	125,000	$ 3.54	0.77	125,000
January 24, 2016	125,000	$ 3.10	0.82	125,000
February 25, 2016	1,285,000	$ 2.70	0.91	1,285,000
August 1, 2016	135,000	$ 2.52	1.34	135,000
September 29, 2016	500,000	$ 1.53	1.50	500,000
January 10, 2017	795,000	$ 1.26	1.78	795,000
January 16, 2017	1,750,000	$ 1.38	1.80	1,750,000
September 6, 2017	1,011,000	$ 0.60	2.44	1,011,000
February 7, 2018	2,148,750	$ 0.41	2.86	1,847,500
	8,169,750		1.90	7,868,500

(Expressed in Canadian Dollars)

13. Warrants

As at March 31, 2015, the Company has a total of 10,327,075 warrants outstanding, expiring October 7, 2017. The following table shows the continuity of warrants during the period:

	Number of Warrants	Allocated Value	Average Value Per Warrant
Balance, December 31, 2014	10,327,075	$ 946,993	$ 0.09
Balance, March 31, 2015	10,327,075	$ 946,993	$ 0.09

14. Loss per Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2015 was based on the loss attributable to common shareholders of $2,072,372 (March 31, 2014 - $4,793,628) and the weighted average number of common shares outstanding of 142,685,681 (March 31, 2014 – 132,358,606). Diluted loss per share did not include the effect of 18,496,825 (March 31, 2014 – 11,724,100) share purchase options and warrants as they are anti-dilutive.

15. Related Party Transactions

The Company's transactions are in the normal course of business and are recorded at the exchange amount. All amounts due to related parties are non-interest bearing and payable on demand.

a) Included in accounts payable and accrued liabilities are the following amounts due to related parties:

Related Parties AP

	3/31/2015	12/31/2014
Travel expenses reimbursed to officers and directors of the Company,	$ 27,562	$ 2,305
Administrative expenses reimbursed to officers and directors of the Company,	398	211
	$ 27,960	$ 2,516

(Expressed in Canadian Dollars)

b) The Company had the following related party transactions during the three months ended March 31, 2015 and 2014.

Related Parties transactions

		3/31/2015		3/31/2014
Travel expenses reimbursed to officers and directors of the Company,	$	31,654	$	50,053
Administrative expenses reimbursed to officers and directors of the Company,		6,177		9,690
	$	37,831	$	59,743

During the three months ended March 31, 2015, the Company expensed $7,500 (three months ended March 31, 2014 - $nil) to Marrelli Support Services Inc. ("Marrelli Support") for Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO"). As of March 31, 2015, Marrelli Support was owed $2,500 (March 31, 2014 - $nil).

The Company's Directors elected to waive fees for 2015. The three months ended March 31, 2015 resulted in the amount of $50,212 being waived (three months ended March 31, 2014 – $nil).

On January 29, 2015, Gerald Grandey, a director of the Company advanced $130,000 for general working capital purposes under the terms of a promissory note bearing interest at a rate of 10% per annum. On April 24, 2015, the Company settled the promissory note though the issuance of 2,023,104 common shares.

(Expressed in Canadian Dollars)

16. Segmented Information

The Company primarily operates in one reportable operation segment, being the development of its property for production of gold and copper in Guyana. The Company has administrative offices in Toronto, Canada and Centennial, U.S.A. Segmented information on a geographic basis is as follows:

December 31, 2014

	Canada	United States	British Virgin Islands	Guyana	Total
Current assets	$ 112,117	$ 134,092	$ 7,730	$ 325,181	$ 579,120
Non-current assets	-	12,158	-	25,894,644	25,906,802
	$ 112,117	$ 146,250	$ 7,730	$ 26,219,825	$ 26,485,922

March 31, 2015

	Canada	United States	British Virgin Islands	Guyana	Total
Current assets	$ 12,929	$ 165,569	$ (176)	$ 266,711	$ 445,033
Non-current assets	-	12,480	-	25,709,727	25,722,207
	$ 12,929	$ 178,049	$ (176)	$ 25,976,438	$ 26,167,240

17. Commitments

The Company has executed a mineral agreement with the Government of Guyana that stipulates a royalty of 8% on gold (1.5% on copper) produced from its mineral claims payable in cash or in kind to the Government of Guyana. Mineral claims are also subject to annual rentals. The rental rates for each of the MPs are the sum of US$1.00 per acre per annum. Rental rates for PLs are US$0.50 per acre for the year; US$0.60 per acre for the second year; and US$1.00 per acre for the third year. An application fee of US$100 and a work performance bond equal to 10% of the approved budget is also required. Rentals on the claims controlled by ETK are payable annually by the expiry date of each claim.

An in-kind royalty of 6% is payable to Mr. Alphonso on all gold and other mineral production from the claims subject to the Upper Puruni Agreement.

Under the terms of the December 2013 Silver Wheaton Gold Purchase Agreement, Silver Wheaton may purchase 10% of the gold produced from the Company's Toroparu Project in exchange for funding of $148.5 Million.

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18. Subsequent Events

i) **Silver Wheaton Financing**

On April 22, 2015, the Company amended its precious metals purchase agreement (the "Gold Purchase Agreement") with Silver Wheaton to include a silver stream under which Silver Wheaton will pay Sandspring incremental up-front cash payments totaling US$5.0 million for 50% of the payable silver production from the Company's Toroparu Project. In addition, Silver Wheaton will make ongoing payments to Sandspring of the lesser of the market price and $3.90 per payable ounce of silver delivered to Silver Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting on the fourth anniversary of production. Sandspring is entitled to receive US$2.0 million of the incremental US$5.0 million cash payment in four equal installments over the course of 2015, subject to the satisfaction of certain conditions.

ii) By means of two promissory notes issued on April 9, 2015 and May 19, 2015, the Company was advanced an aggregate of US$200,000 by the Company's CEO for general working capital purposes. The promissory notes bear interest at 10% and are due on demand.

iii) On July 6, 2015, the Company and PNO Resources Ltd. (PNO.H: TSX-V) ("PNO") announced that they had entered into a binding letter agreement dated as of July 2, 2015 (the "Letter Agreement") providing for the acquisition (the "Acquisition") by Sandspring of PNO by way of a three-cornered amalgamation. Sandspring and PNO are both publicly listed companies and are at arm's length to each other. PNO's principal business activity is the acquisition and exploration of natural resource properties. The Acquisition is subject to the satisfaction or waiver of certain customary closing conditions. Following the Acquisition, Sandspring will continue to trade on the TSX Venture Exchange ("TSXV") and PNO will be delisted. Summary of the Acquisition Pursuant to the Letter Agreement, PNO will amalgamate with a wholly-owned subsidiary of Sandspring, and all of the issued and outstanding common shares of PNO ("PNO Shares") will be acquired by Sandspring from the existing holders thereof in consideration of the issuance of one Post- Consolidation Sandspring Share (as defined below) for each PNO Share so held (the "Exchange Ratio").

Prior to the completion of the Acquisition, it is proposed that Sandspring shall consolidate its issued and outstanding common shares ("Sandspring Shares") on the basis of one "new" common share (a "Post-Consolidation Sandspring Share") for every three Sandspring Shares outstanding (the "Consolidation"). At its annual and special meeting of Sandspring shareholders, currently scheduled to be held on Sept 3, 2015, Sandspring will seek the approval of its shareholders for the Consolidation. Also in connection with the Acquisition, all of the outstanding stock options and warrants of PNO will be converted to stock options and warrants to acquire Sandspring Shares and subject to adjustments based on the Exchange Ratio.

Prior to completion of the Acquisition, and as a condition thereof, a private placement equity financing shall be completed in PNO to raise up to gross proceeds of $3,500,000 (the "Private Placement"). The Private Placement will consist of units ("Units") at a price of $0.20 per Unit, with each Unit consisting of one PNO Share and one share purchase warrant of PNO entitling the holder thereof to acquire one additional PNO Share at an exercise price of $0.30 for five years. The definitive agreement to be entered into in respect of the Acquisition will also contemplate the advance of a loan by PNO to Sandspring immediately following the date such definitive agreement is executed (the "Execution Date") in an amount sufficient to pay anticipated operating expenses over the period between the Execution Date and the Closing Date and on terms to be determined prior to the Execution Date.

Sandspring and PNO are arm's length parties, and there are no current non-arm's length parties of Sandspring which are insiders of PNO or presently hold any direct or indirect beneficial interest in either PNO or any of its assets. There are currently no "control persons" (as defined by the applicable regulations of the TSXV) of Sandspring or PNO other than Crescent Global Gold Ltd. which currently holds an aggregate of 16,675,546 Sandspring Shares representing approximately 11.5% of all issued and outstanding Sandspring Shares as of the date hereof.

On July 14, 2015, the Company announced that the offering had been increased by an additional 5,000,000 Units at $0.20/unit for proceeds of $1,000,000. This brings the total gross proceeds to $4,500,000 subject to final approval from the TSX Venture Exchange.