SANDSPRING
RESOURCES LTD.

Consolidated Interim Financial Statements
Three and Nine Months Ended September 30, 2016 and 2015

Prepared by:
Sandspring Resources Ltd.
9137 East Mineral Circle, Suite 180
Centennial, Colorado, USA
www.sandspringresources.com

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of Sandspring Resources Ltd. have been prepared by and are the responsibility of the Company's management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2016 and 2015.

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

As at		**September 30, 2016**	December 31, 2015
ASSETS	**Notes**	**$**	**$**
Current			
Cash		**6,621,356**	2,596,210
Restricted cash	5	**195,084**	205,160
Prepaid expenses		**208,230**	89,507
		7,024,670	2,890,877
Equipment	8	**128,621**	236,467
Mineral properties under exploration	9	**25,061,071**	25,061,071
		32,214,362	28,188,415
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**845,553**	656,677
		845,553	656,677
Non-current liabilities			
Deferred property obligation	9	**950,847**	873,955
Deferred management compensation	10	**1,042,574**	1,077,203
Deferred revenue	11	**16,940,800**	16,940,800
		18,934,221	18,891,958
SHAREHOLDERS' EQUITY			
Common shares	12	**130,547,270**	123,834,403
Equity reserve	13, 14	**13,991,050**	11,923,604
Deficit		**(132,103,732)**	(127,118,227)
		12,434,588	8,639,780
		32,214,362	28,188,415

Going concern - Note 1
Commitments - Note 18
Subsequent events - Note 12, 13, 14

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

On behalf of the Board of Directors:

"Signed"
Rich Munson, CEO/Director

"Signed"
P. Greg Barnes, EVP/Director

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

(Expressed in Canadian Dollars, except share and per share amounts)

	Notes	**Three Months Ended September 30, 2016**	Three Months Ended September 30, 2015	**Nine Months Ended September 30, 2016**	Nine Months Ended September 30, 2015
		$	$	**$**	$
Expenditures					
Administrative		**48,999**	73,199	**162,955**	233,690
Consulting		**88,421**	55,289	**195,963**	138,421
Depreciation	8	**13,293**	169,059	**166,408**	525,839
Foreign exchange (gain) loss		**(94,853)**	194,769	**(119,793)**	255,143
Exploration expenses	9	**2,101,476**	973,783	**3,484,956**	2,987,591
Other		**911**	3,326	**3,461**	17,641
Professional fees		**32,150**	207,156	**87,987**	418,422
Salaries and other employee benefits		**153,805**	261,181	**467,881**	762,937
Investor relations and marketing		**139,869**	49,009	**384,520**	94,437
Stock-based compensation		**367**	-	**72,683**	1,091
Regulatory and transfer agent		**1,098**	12,396	**27,019**	54,216
Travel		**17,880**	26,304	**56,058**	91,652
		2,503,416	2,025,470	**4,990,098**	5,581,079
Other					
Interest income		**1,393**	8	**4,593**	300
Forgiveness of debt		**-**	194,676	**-**	194,676
Interest expense		**-**	16,989	**-**	16,989
		1,393	177,695	**4,593**	177,987
Net loss and comprehensive loss for the period		**(2,502,023)**	(1,847,775)	**(4,985,505)**	(5,403,092)
Loss per share	15				
Basic and diluted		**(0.02)**	(0.02)	**(0.05)**	(0.07)
Weighted average number of shares outstanding					
Basic and diluted		**113,586,717**	82,594,545	**100,201,954**	82,594,545

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)

	Common Shares	Common Shares	Equity Reserve	Deficit	Total
	#	$	$	$	$
Balance, December 31, 2014	**47,561,885**	**118,204,900**	**10,891,361**	**(118,850,680)**	**10,245,581**
Stock-based compensation	-	-	3,371	-	3,371
Shares issued on private placement	674,368	161,848	-	-	161,848
Share issue cost from private placement		(7,501)	-	-	(7,501)
Shares issued on exercise of options	75,000	11,664	(414)	-	11,250
Shares issued on acquisition - Notes 4, 12	34,283,292	5,464,746	-	-	5,464,746
Warrants issued on acquisition - Notes 4, 13	-	-	278,962	-	278,962
Stock options issued on acquisition - Notes 4, 14	-	-	94,477	-	94,477
Stock options expired	-	-	-	-	-
Net loss for the period	-	-	-	(5,403,092)	(5,403,092)
Balance, September 30, 2015	**82,594,545**	**123,835,657**	**11,267,757**	**(124,253,772)**	**10,849,642**
Stock-based compensation	-	-	655,847	-	655,847
Shares issued on exercise of options	-	(1,254)	-	-	(1,254)
Shares issued on acquisition	-	-		-	-
Warrants issued on acquisition	-	-	-	-	-
Stock options issued on acquisition	-	-	-	-	-
Net loss for the period	-	-	-	(2,864,455)	(2,864,455)
Balance, December 31, 2015	**82,594,545**	**123,834,403**	**11,923,604**	**(127,118,227)**	**8,639,780**
Stock-based compensation	-	-	72,683	-	72,683
Shares issued in settlement of debt - Note 12	100,000	15,000	-	-	15,000
Shares issued on exercise of options- Note 12	647,663	184,989	(56,156)	-	128,833
Shares issued on exercise of warrants - Note 12	10,135,000	2,574,242	(281,342)	-	2,292,900
Share units issued on private placement - Note 12	20,312,500	4,082,557	2,417,443	-	6,500,000
Share units issued as finder's fees - Note 12	156,250	31,404	18,596	-	50,000
Share issue costs	-	(175,325)	(103,778)	-	(279,103)
Net loss for the period	-	-	-	(4,985,505)	(4,985,505)
Balance, September 30, 2016	**113,945,958**	**130,547,270**	**13,991,050**	**(132,103,732)**	**12,434,588**

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Unaudited)

(Expressed in Canadian Dollars)

		Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Cash (used in) provided by:	**Notes**	**$**	$
Operating activities			
Net loss for the period		**(4,985,505)**	(5,403,092)
Adjustments for:			
Depreciation		**166,408**	525,839
Stock-based compensation		**72,683**	3,371
Accretion of deferred property obligation	9	**76,892**	194,984
Deferred management compensation foreign exchange	10	**(34,629)**	711,312
Restricted cash		**10,076**	(51,856)
Change in non-cash working capital:			
Prepaid expenses		**(118,723)**	20,967
Accounts payable		**203,876**	(17,829)
Deferred revenue	11	**-**	2,001,750
		(4,608,922)	(2,014,554)
Investing activities			
Cash acquired on acquisition of PNO Resources		**-**	5,850,157
Purchase of equipment	8	**(58,562)**	(43,182)
		(58,562)	5,806,975
Financing activities			
Proceeds received from private placement, net of issuance costs	12	**6,270,897**	154,347
Proceeds from exercise of stock options	14	**128,833**	11,250
Proceeds from exercise of warrants	13	**2,292,900**	-
		8,692,630	165,597
Cash beginning of period		**2,596,210**	294,747
Change in cash		**4,025,146**	3,958,018
Cash end of period		**6,621,356**	4,252,765

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 unaudited 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 September 30, 2016, the Company had working capital of $6,179,117 (December 31, 2015: $2,234,200) and an accumulated deficit of $132,103,732 (December 31, 2015: $127,118,227), incurred losses in the nine months ended September 30, 2016 amounting to $4,985,505 (2015: $5,403,092), and had negative cash flows from operating activities during the nine months ended September 30, 2016 of $4,608,922 (2015: $2,014,554).

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.

On May 6, 2016 the Company closed a non-brokered private placement for gross proceeds of $6.5 million. With this financing in place, management believes there is sufficient funding to finance the Company into 2017, including undertaking an exploration program in 2016 at the Company's Toroparu Project in Guyana.

In November 2013, the Company entered into a precious metals purchase agreement (the "Purchase Agreement") with Silver Wheaton (Caymans) Ltd. ("Silver Wheaton") under which Silver Wheaton will pay Sandspring incremental up-front cash payments totaling US$148.5 million for 10% of the payable gold production from the Company's Toroparu Project in Upper Puruni, Guyana (the "Toroparu Project"). In addition, Silver Wheaton will make continuing payments to Sandspring 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. Sandspring has received an initial draw down of US$13.5 million of the cash payment, to be used primarily for advancement of the final feasibility study for the Toroparu Project.

On April 22, 2015, the Company amended the 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 Toroparu Project. In addition, Silver Wheaton will make ongoing payments to Sandspring of the lesser of the market price and US$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 received US$2.0 million of the cash payment in four equal installments over the course of 2015, with the remaining US$3.0 million payable in installments during construction of the Toroparu Project.

Under the terms of the Purchase Agreement, the Company is required to complete a final feasibility study for its Toroparu Project before December 31, 2016, upon receipt of which Silver Wheaton can elect to proceed and pay the balance of the US$138 million owed to finance construction of the Toroparu Project, or can elect to terminate the Purchase Agreement. The Company's ability to finance activities after completion of the feasibility study is dependent on whether Silver Wheaton elects to proceed, as well as on the Company's ability to raise additional equity financing to fund ongoing activities, including the portion of project construction not financed by Silver Wheaton. There are no assurances that Silver Wheaton will elect to fund construction of the Toroparu Project, or that the Company will be successful in raising equity financing at all or, if available, on terms acceptable to the Company. The Company and Silver Wheaton have commenced discussions about an extension of the December 31, 2016 due date to allow the Company time to complete its exploration program at Sona Hill.

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 unaudited 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, 2015.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on November 18, 2016.

3. Significant Accounting Policies

Basis of Consolidation

These unaudited 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.

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, 2015.

Future Accounting Changes

IFRS 9 - *Financial Instrument*s

IFRS 9 introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 - *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortized cost or fair value, and all financial liabilities subsequently measured at amortized cost except for financial liabilities measured at fair value through profit and loss. In July 2014, the IASB issued the final version of IFRS 9 - *Financial Instruments* bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 - *Financial Instruments: Recognition and Measurement.* The mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently assessing the impact of adopting IFRS 9 on its consolidated financial statements.

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 introduces a new framework for determining the nature, amount, timing and uncertainty of revenues and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the potential impact of the new standard on its consolidated financial statements.

IFRS 16 - *Leases*

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance. The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the potential impact of the new standards on its consolidated financial statements.

4. Acquisition of PNO Resources Ltd.

On September 14, 2015, the Company closed the acquisition of PNO Resources Ltd. ("PNO") by way of a court approved plan of arrangement whereby all of the issued and outstanding common shares of PNO were acquired by the Company in consideration of the issuance of 34,283,292 common shares of the Company. Also in connection with the acquisition, all outstanding stock options and warrants of PNO were exchanged for stock options and warrants of the Company.

The transaction has been accounted for on the basis of an acquisition of assets as PNO did not meet the definition of a business, with the consideration being limited to the net identifiable assets of PNO and

(Expressed in Canadian Dollars)

the equity allocated based on the relative fair value of equity instruments issued. The fair value of these instruments was determined based on Sandspring's share price of $0.21 on September 14, 2015.
The following table summarizes the consideration paid and the fair value of the assets acquired and liabilities assumed, recognized as of the acquisition date:

Fair value of assets acquired and liabilities assumed		
Cash and cash equivalents	$	5,850,157
Amounts receivable		13,047
Prepaid expenses		1,250
Accounts payable		(26,269)
	$	5,838,185
Fair value of equity issued		
Common shares	$	5,464,746
Option reserve		94,477
Warrant reserve		278,962
	$	5,838,185

5. Restricted Cash

Restricted cash consists of $195,084 (December 31, 2015: $205,160) held as security for performance bonds in favor of the Guyana Geology and Mines Commission ($181,882) and the Guyana Customs and Trade Administration ($13,202).

6. 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 September 30, 2016, totaled $12,434,588 (December 31, 2015: $8,639,780).

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable using existing capital 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 remained unchanged during the nine months ended September 30, 2016. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX 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 six months.

7. 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. At September 30, 2016 the Company had cash and restricted cash of $6,816,440 (December 31, 2015: $2,801,370) to settle current liabilities of $845,553 (December 31, 2015: $656,677). 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 capital.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2016:

	Level 1	Level 2	Level 3	Total
Financial Instruments				
Cash	$ 6,621,356	$ -	$ -	$ 6,621,356
Restricted cash	195,084	-	-	195,084
	$ 6,816,440	$ -	$ -	$ 6,816,440

Currency Risk

The Company's reporting currency is the Canadian dollar and the Company raises its capital in Canadian dollars with expenditures in Canadian and U.S. dollars. The Company funds certain operations, exploration and administrative expenses in Guyana on a cash call basis using U.S. dollar currency converted from its Canadian dollar bank accounts held in Canada. The Company maintains U.S. 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 U.S. dollar and Guyanese dollar against the Canadian dollar.

The following table summarizes, in Canadian dollar equivalents, the Company's major foreign currency exposures to the U.S. dollar as at September 30, 2016 and December 31, 2015. The Company manages its U.S. dollar currency risk by maintaining resources in its U.S. dollar bank accounts sufficient to meet its U.S. dollar operational requirements. The Company's exposure to the currency risk of Guyanese dollars is not material.

	September 30, 2016	December 31, 2015
Cash	$ 3,785,187	$ 649,989
Accounts payable and accrued liabilities	(444,318)	(384,549)
	$ 3,340,868	$ 265,440

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments as at September 30, 2016, 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%	$ (33,409)
Increase in Net Income	1%	$ 33,409

8. Equipment

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Total
Cost						
As at December 31, 2015 and June 30, 2016	$ 76,359	$ 2,941,572	$ 308,408	$ 168,212	$ 298,380	$ 3,792,931
Additions	3,830	-	-	51,492	3,240	58,562
As at September 30, 2016	$ 80,189	$ 2,941,572	$ 308,408	$ 219,704	$ 301,620	$ 3,851,493
Accumulated Depreciation						
As at December 31, 2015	$ 72,961	$ 2,767,771	$ 284,618	$ 143,675	$ 287,439	$ 3,556,464
Charge for the period	1,670	130,714	16,825	13,424	3,775	166,408
As at September 30, 2016	$ 74,631	$ 2,898,485	$ 301,443	$ 157,099	$ 291,214	$ 3,722,872
Net Book Value						
As at December 31, 2015	$ 3,398	$ 173,801	$ 23,790	$ 24,537	$ 10,941	$ 236,467
As at September 30, 2016	$ 5,558	$ 43,087	$ 6,965	$ 62,605	$ 10,406	$ 128,621

9. Mineral Properties under Exploration

The Company holds mineral exploration concessions in the Upper Puruni River Area of northwestern Guyana, South America, (the “Upper Puruni Property”). The Upper Puruni Property is currently the Company’s sole resource property, and is held and operated through ETK, the Company’s wholly-owned subsidiary.

Previous to June 30, 2016, the property had covered an area of 242,690.8 acres (98,214 hectares), consisting 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).

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

As an initial step in the land restructuring, the Company acquired rights in 2015 to the “Otomung Property” to the Northwest of the Toroparu Deposit. The Otomung Property is composed of 22 PPMSs covering 25,605 acres (10,362 hectares).

In June of 2016, as a second step in the land restructuring, the Company agreed to surrender 66 PPMSs to Mr. Alphonso covering 69,426 acres, and to assign to Mr. Alphonso the rights to three PLs that cover 26,641 acres.

Accordingly, as of September 30, 2016, the Upper Puruni Property covers a total of 154,696 acres (62,603 hectares) comprising seven small scale claims, 123 PPMSs and 13 MPs that together cover an area of 137,872 acres (55,795 hectares), and two contiguous PLs that cover an area of 16,824 acres (6,808 hectares).

The Company will consider further land adjustments as additional exploration work is completed.

The Upper Puruni Agreement stipulates that ETK is the sole operator and has 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 original Upper Puruni Agreement provided that ETK would 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 has not yet been achieved, the Company commenced paying US$250,000 annually to Mr. Alphonso in January 2013. The Company has made all annual payments to date including 2016’s payment.

(Expressed in Canadian Dollars)

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.

The following table shows the continuity of the discounted long-term liability to Mr. Alphonso:

Balance, December 31, 2014	**$**	**610,778**
Additions:		
Accretion	$	134,221
Foreign exchange		128,956
Balance, December 31, 2015	**$**	**873,955**
Additions:		
Accretion	$	123,444
Foreign exchange		(46,552)
Balance, September 30, 2016	**$**	**950,847**

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 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 mining licenses. There are no credits against the US$20 million buy-out price for royalty or other payments made by ETK to Mr. Alphonso.

As at September 30, 2016, the carrying amount of the Company's interest in mineral properties is as follows:

	September 30, 2016	December 31, 2015
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.

(Expressed in Canadian Dollars)

The following table sets forth a breakdown of material components of the Company's exploration expenditures for the three and six months ended September 30, 2016 and 2015.

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Upper Puruni exploration costs				
Camp expenses	$ 546,544	$ 444,974	$ 942,921	$ 848,626
Consulting	355,492	60,875	436,259	76,923
Drilling	339,737	-	339,737	-
Engineering studies	364,973	(4,028)	375,953	46,863
Lab fees	44,196	-	82,799	-
Office and administrative costs	96,831	47,535	153,527	106,967
Salaries and benefits	93,834	243,875	304,371	1,174,810
Travel and accommodation	117,782	55,472	194,835	121,251
Production commitment fees	33,752	40,973	423,257	385,278
Prospecting licenses	108,335	84,107	231,297	226,873
Exploration costs sub-total	$ 2,101,476	$ 973,783	$ 3,484,956	$ 2,987,591
Depreciation	12,077	168,023	162,788	522,202
Total exploration costs	$ 2,113,553	$ 1,141,806	$ 3,647,744	$ 3,509,793

Godette Agreement

The Company, through its wholly-owned subsidiary ETK, has rights to three MPs pursuant to the Godette Joint Venture Agreement (the "Godette Agreement"). ETK has sole operatorship and sole decision-making discretion in all matters pertaining to gold exploration on the lands subject to the Godette Agreement. ETK also has the sole and exclusive right to sell all gold, other precious metals or gemstones it may recover from the properties.

The Godette Agreement gives ETK the option of purchasing 100% of the Godettes' interest in the Godette Agreement for the sum of US$300,000, which the Company has fully paid.

10. Deferred Management Compensation

At September 30, 2016, the Company recognized $1,042,574 (December 31, 2015: $1,077,203) pertaining to management compensation and severance amounts owed in connection with a corporate restructuring that occurred in the fourth quarter of 2014. 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. Effective January 1, 2016, the Company amended the management employment agreements for Mr. Munson (CEO) and Mr. Barnes (Executive Vice President) resulting in a reduction to fifty percent (50%) of base salary, which will eliminate further salary deferrals.

11. Deposit on Gold Purchase Agreement and Deferred Revenue

On November 11, 2013, the Company announced that it had entered into a Purchase Agreement with Silver Wheaton under which Silver Wheaton would pay the Company upfront cash payments totaling

US$148.5 million for 10% of the payable gold production from the Company's Toroparu Project. 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.

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 study for the Toroparu Project.

On April 22, 2015, the Company amended the Purchase Agreement 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 Toroparu Project, bringing the total contemplated payment from Silver Wheaton to US$153.5 million. In addition, Silver Wheaton will make ongoing payments to Sandspring of the lesser of the market price and US$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 received US$2.0 million of the incremental US$5.0 million cash payment in four equal installments over the course of 2015, with the remainder payable in installments during construction of the Toroparu Project.

The balance of the US$138 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 study has not been delivered by December 31, 2016, or Silver Wheaton elects not to proceed after receiving the feasibility study, Silver Wheaton may elect (a) not to pay the balance of the deposit and to reduce the gold stream percentage from 10% to 0.909% and the silver stream percentage from 50% to nil, or (b) not to proceed with the streaming transaction and to convert the portion of the deposit already paid less US$2 million into debt of the Company that will become due and payable in whole or in part upon the occurrence of certain events including, but not limited to, a "change of control" of the Company or the Company obtaining certain levels of debt or equity financing. If Silver Wheaton elects to reduce the streams, Sandspring may return the amount of the deposit already advanced less US$2 million to Silver Wheaton and terminate the agreement. In the event the Company does not deliver sufficient gold and silver to repay the total balance of the deposit, the Company will be required to pay any remaining balance in cash. The Company and Silver Wheaton have commenced discussions about an extension of the December 31, 2016 due date to allow the Company time to complete its exploration program at Sona Hill.

12. Share Capital

On September 10, 2015, the Company's shares were consolidated on a 3:1 basis. All common shares, share options, share purchase warrants, and per share amounts in these unaudited condensed consolidated interim financial statements have been retrospectively restated to present post-consolidation amounts.

The Company is authorized to issue an unlimited amount of common shares. The common shares do not have a par value.

On February 19, 2016, 100,000 shares were issued at a deemed price of $0.15 to an arms-length party as settlement of $15,000 in invoices.

On May 6, 2016, the Company closed a non-brokered private placement of 20,312,500 units ("Units") at a price of $0.32 per Unit for gross proceeds of $6.5 million. Each Unit consists of one common share of the Company and one share purchase warrant entitling the holder to purchase one share at $0.42 until May 6, 2021. The warrants issued in connection with the non-brokered private placement were allocated a fair value of $2,417,443 on a relative fair value basis (Note 13).

Cash transaction costs of $229,103 were incurred as share issue costs, of which $143,921 and $85,182 were deducted from share capital and reserves respectively, based on the pro rata allocation of the fair value on issuance of the units to share capital and reserves.

Finder's fee of 156,250 Units were issued with a deemed value of $50,000 of which $31,404 and $18,596 were deducted from share capital and reserves respectively, based on the pro rata allocation of the fair value on issuance of the units to share capital and reserves.

During the nine months ended September 30, 2016, 10,135,000 warrants were exercised for net proceeds of $2,292,900.

During the nine months ended September 30, 2016, 647,663 stock options were exercised for net proceeds of $128,833.

Subsequent to September 30, 2016, 115,000 warrants were exercised for net proceeds of $41,100.

13. Warrants

During the nine months ended September 30, 2016, the Company issued 20,468,500 warrants, inclusive of finder's fees, in connection with the non-brokered private placement. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.42 per common share until May 6, 2021 (Note 12).

The fair value of the warrants issued in connection with the non-brokered private placement during the year ended July 31, 2016 was calculated as $2,417,443 (2015: $nil) using the Black-Scholes option pricing model using the following assumptions; i) exercise share price of $0.43; ii) expected share price volatility of 75%; iii) risk free interest rate of 0.62%; iv) no dividend yield.

During the nine months ended September 30, 2016, 10,135,000 warrants were exercised for net proceeds of $2,292,900.

(Expressed in Canadian Dollars)

As at September 30, 2016, the Company had a total of 39,617,758 warrants outstanding. The following table shows the continuity of warrants during the period:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2014 and June 30, 2015	3,442,358	$	0.90
Warrants issued on acquisition of PNO Resources (Note 4)	25,841,650		0.30
Balance, September 30, 2015 and December 31, 2015	29,284,008	$	0.37
Warrants issued on private placement	20,468,750	$	0.42
Warrants exercised	(10,135,000)		0.23
Balance, September 30, 2016	39,617,758	$	0.41

The following warrants were outstanding as at September 30, 2016:

Expiry Date	Exercise Price		Number of Warrants
October 7, 2017	$	0.90	3,442,358
September 11, 2020	$	0.30	15,726,650
May 6, 2021	$	0.42	20,448,750
			39,617,758

Subsequent to September 30, 2016, 115,000 warrants were exercised for net proceeds of $41,100.

14. Stock Options

The Company's stock option plan was approved by shareholders 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. 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 and 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 historical traded daily closing share price at the date of issue. Due to the Company's small sample of historical share price, the Company also references the volatility of the closing share price of a group of industry peers in its calculation of volatility.

(Expressed in Canadian Dollars)

The following table shows the continuity of stock options during the period:

	Number of Options		Weighted Average Exercise Price
Balance, December 31, 2014	2,966,583	$	1.33
Options expired	(858,916)	$	2.06
Options exercised	(75,000)		0.01
Options issued on acquisition of PNO Resources	1,235,000		0.17
Balance, September 30, 2015	3,267,667	$	2.38
Options expired	(943,361)	$	0.17
Options granted	4,645,000		0.20
Balance, December 31, 2015	6,969,306	$	0.10
Options granted	200,000	$	0.45
Options expired	(823,320)		5.21
Options exercised	(647,663)		0.20
Balance, September 30, 2016	5,698,323	$	0.50

The following are the stock options outstanding as at September 30, 2016:

	Weighted Average Exercise Price	Outstanding	Exercisable	Weighted Average Remaining Years
$	0.15	175,000	175,000	8.5
$	0.18	350,000	350,000	5.7
$	0.20	4,389,996	4,377,496	8.8
$	0.45	200,000	200,000	9.6
$	1.23	208,330	208,330	1.4
$	4.14	374,997	374,997	0.3
		5,698,323	5,685,823	7.8

On April 20, 2016, 200,000 stock options were granted to an officer of the Company exercisable for one common share each at a price of $0.45 with an expiry date of April 20, 2026. The fair value of the stock options was estimated on the date of grant in the amount of $70,167 using the Black-Scholes valuation model with the following assumptions; i) exercise share price of $0.45; ii) expected share price volatility of 75%; iii) risk free interest rate of 1.33%; iv) no dividend yield. All of the options vested immediately.

During the three and nine months ended September 30, 2016, $367 and $2,515 of share based compensation was recognized related to unvested options.

(Expressed in Canadian Dollars)

During the nine months ended September 30, 2016, 647,663 stock options were exercised for net proceeds of $128,833.

During the period, 823,320 stock options expired.

15. Loss per Share

The calculation of basic and diluted loss per share for the nine months ended September 30, 2016 was based on the loss attributable to common shareholders of $4,985,505 (2015: $5,403,092) and the weighted average number of common shares outstanding of 100,201,954 (2015: 82,594,545). Diluted loss per share did not include the effect of 45,316,081 share purchase options and warrants, as they are anti-dilutive.

16. 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:

	September 30, 2016	December 31, 2015
Travel expenses reimbursed to officers and directors of the Company	$ 21,225	$ 4,293
Administrative expenses reimbursed to officers and directors of the Company	2,588	27
	$ 23,813	$ 4,320

b) The Company had the following related party transactions during the three and nine months ended September 30, 2016 and 2015:

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Travel expenses reimbursed to officers and directors of the Company	$ 41,924	$ 29,852	$ 108,009	$ 96,690
Administrative expenses reimbursed to officers and directors of the Company	9,240	6,396	23,398	47,109
	$ 51,164	$ 36,248	$ 131,407	$ 143,799

(Expressed in Canadian Dollars)

c) Remuneration of directors and key management of the Company during the three and nine months ended September 30, 2016 and 2015:

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Salaries and benefits for management	$ 77,455	$ 163,507	$ 235,357	$ 796,943
Share-based payments	-	-	-	2,182
	$ 77,455	$ 163,507	$ 235,357	$ 799,125

The Company's directors elected to waive fees for 2015 and 2016.

17. Segmented Information

The Company primarily operates in one reportable operation segment, being the development of its Toroparu Project for eventual production of gold, copper and silver in Guyana. The Company has administrative offices in Vancouver, Canada and Centennial, USA. Segmented information on a geographic basis is as follows:

December 31, 2015

	Canada	United States	British Virgin Islands	Guyana	Total
Current assets	$ 2,177,792	$ 192,967	$ 143,585	$ 376,533	$ 2,890,877
Non-current assets	-	10,941	-	25,286,597	25,297,538
	$ 2,177,792	$ 203,908	$ 143,585	$ 25,663,130	$ 28,188,415

September 30, 2016

	Canada	United States	British Virgin Islands	Guyana	Total
Current assets	$ 5,771,727	$ 744,824	$ 254	$ 507,865	$ 7,024,670
Non-current assets	-	7,321	-	25,182,371	25,189,692
	$ 5,771,727	$ 752,145	$ 254	$ 25,690,236	$ 32,214,362

18. 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 US$1.00 per acre per annum. Rental rates for PLs are US$0.50 per acre for the first year, US$0.60 per acre for the second year, and US$1.00 per acre for the third year. The PLs held by the Company were issued in October of 2013. After the third year of the term of the PLs, the Company may request a further extension of two more annual extensions at higher rental rates. 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 Silver Wheaton Purchase Agreement, Silver Wheaton may purchase 10% of the gold produced from the Company's Toroparu Project at US$400/ounce in exchange for funding of US$148.5 million and 50% of the silver produced from the Company's Toroparu Project at US$3.90/ounce in exchange for funding of US$5.0 million, for total contemplated funding from Silver Wheaton of US$153.5 million.

19. Comparative Figures

Certain comparative data have been reclassified to conform with the presentation of the current period. The Company has regrouped comparative balances for certain expenses on the statement of operations. There is no net impact on the financial position, net loss, cash flows or loss per share in 2015 as a result of these reclassifications.