
Sandspring Resources Ltd.

Condensed Consolidated Interim Financial Statements

(Unaudited)

Expressed in Canadian Dollars

Three Months Ended March 31, 2013



SANDSPRING RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

		3/31/2013	12/31/2012
ASSETS			
	<u>Notes</u>	\$	\$
Current			
Cash and cash equivalents		7,106,194	11,278,902
Prepaid expenses		326,111	279,510
		7,432,305	11,558,412
Equipment	6	2,342,943	2,594,095
Mineral properties under exploration	7	25,061,071	25,061,071
		34,836,319	39,213,578
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		2,016,550	3,057,042
		2,016,550	3,057,042
SHAREHOLDERS' EQUITY			
Common Shares	8	117,099,645	117,099,645
Contributed Surplus		2,208,490	2,062,859
Stock Option Reserve	9	7,292,940	7,062,637
Deficit		(93,781,306)	(90,068,605)
		32,819,769	36,156,536
		34,836,319	39,213,578

Going Concern - Note 1
Commitments - Note 13

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

SANDSPRING RESOURCES LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS****(Unaudited)***(Expressed in Canadian Dollars)*

	Three Months Ended March 31,	
	2013	2012
	\$	\$
Expenditures		
Administrative	111,187	437,499
Consulting	944,217	413,451
Depreciation	249,504	253,542
Drilling	-	1,772,934
Foreign exchange (gain) loss	(102,621)	14,054
Operations	743,646	2,372,094
Other	11,592	28,759
Professional fees	84,204	228,455
Salaries and other benefits	1,099,848	1,398,642
Shareholder information	84,271	314,982
Stock based compensation	375,934	1,418,807
Transfer, listing and filing fees	34,768	44,779
Travel	93,034	346,480
	3,729,584	9,044,478
Other		
Interest income	16,883	15,327
	16,883	15,327
Net loss and comprehensive loss for the period	(3,712,701)	(9,029,151)
Loss per share		
Basic	(0.03)	(0.08)
Diluted	(0.03)	(0.08)
Weighted average number of shares outstanding		
Basic	132,358,606	109,004,168
Diluted	132,358,606	109,004,168

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

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

(Expressed in Canadian Dollars)

Three Months Ended March 31, 2012	Common Shares	Contributed Surplus	Reserves		Deficit	Total
			Warrant Reserve	Stock Option Reserve		
Balances, December 31, 2011	\$ 93,031,310	\$ -	\$ 1,591,101	\$ 5,520,810	\$ (64,020,966)	\$ 36,122,255
Stock based compensation	-	-	-	1,418,807	-	1,418,807
Shares issued on bought deal	25,002,000	-	-	-	-	25,002,000
Share issue cost from bought deal	(1,529,635)	-	-	-	-	(1,529,635)
Net loss for the period	-	-	-	-	(9,029,151)	(9,029,151)
Balances, March 31, 2012	\$ 116,503,675	\$ -	\$ 1,591,101	\$ 6,939,617	\$ (73,050,117)	\$ 51,984,276

Three Months Ended March 31, 2013	Common Shares	Contributed Surplus	Reserves		Deficit	Total
			Warrant Reserve	Stock Option Reserve		
Balance, December 31, 2012	\$ 117,099,645	\$ 2,062,859	\$ -	\$ 7,062,637	\$ (90,068,605)	\$ 36,156,536
Stock based compensation	-	-	-	375,934	-	375,934
Stock options expired	-	145,631	-	(145,631)	-	-
Net loss for the period	-	-	-	-	(3,712,701)	(3,712,701)
Balance, March 31, 2013	\$ 117,099,645	\$ 2,208,490	\$ -	\$ 7,292,940	\$ (93,781,306)	\$ 32,819,769

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

SANDSPRING RESOURCES LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW****(Unaudited)***(Expressed in Canadian Dollars)*

	Three Months Ended March 31,	
	2013	2012
Cash provided by:	₹	₹
Operating Activities		
Net loss	(3,712,701)	(9,029,151)
Adjustments for:		
Depreciation	249,504	253,542
Stock-based compensation	375,934	1,418,807
Change in non-cash working capital		
Prepaid expenses	(46,601)	(116,712)
Accounts payable	(1,040,492)	(443,929)
	(4,174,356)	(7,917,443)
Interest received	16,883	15,327
Investing Activities		
Sale (purchase) of equipment	1,648	(25,539)
	1,648	(25,539)
Financing Activities		
Shares issued on bought deal net of expenses	-	23,472,365
	-	23,472,365
Cash and cash equivalents, beginning of period	11,278,902	12,003,357
Net (decrease) increase in cash	(4,172,708)	15,529,383
Cash and cash equivalents, end of period	7,106,194	27,532,740

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

Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Operations and Corporate Information

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 8000 South Chester Street, Suite 375, Centennial, Colorado in the United States of America.

These consolidated 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, 2013, the Company had a deficit of \$93,781,306 (December 31, 2012 - \$90,068,605), incurred losses in the three months ending March 31, 2013 amounting to \$3,712,701 (three months ending March 31, 2012 - \$9,029,151), and had negative cash flows from operating activities of \$4,174,356 (three months ending March 31, 2012 - \$7,917,443). The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing to fund operating and investing activities. There are no assurances that the Company will be successful in achieving this goal. This condition indicates the existence of a material uncertainty that may cast significant doubt regarding the applicability of the going concern assumption. These unaudited 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

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly these unaudited condensed consolidated interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards (“IFRS”) for complete financial statements for year end reporting purposes and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2012.



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

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, 2012.

Adoption of new or amended IFRS

On January 1, 2013, the Company adopted the following new accounting standards that were previously issued by the International Accounting Standards Board ("IASB"):

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces parts of IAS 27, *Consolidated and Separate Financial Statements* and all of SIC-12, *Consolidation –Special Purpose Entities*. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. Under IFRS 10, an investor controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The adoption of IFRS 10 did not have a material effect on our condensed consolidated interim financial statements for the current period or prior period presented.

IFRS 11 Joint Arrangements

In May 2011, the IASB issued IFRS 11 Joint Arrangements, which is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method. The adoption of IFRS 11 did not have a material effect on our condensed consolidated interim financial statements for the current period or prior period presented.



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

IFRS 12 Disclosure of Interest in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The standard carries forward existing disclosures and also introduces significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. The standard includes disclosure requirements for entities covered under IFRS 10 and IFRS 11. IFRS 12 does not require the disclosures to be included for any period presented that precedes the first annual period for which IFRS 12 is applied. Accordingly, we will include additional disclosures about interests in other entities in our annual consolidated financial statements for the year ended December 31, 2013.

IFRS 13 Fair Value Measurement

IFRS 13 provides guidance on how fair value should be applied where its use is already required or permitted by other standards within IFRS, including a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The Company's adoption of IFRS 13 did not have a material financial impact upon the consolidated financial position or results of operations, however, certain new or enhanced disclosures are required and can be found in Note 5.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

In October 2011, the IASB issued IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. The interpretation, which has an effective date for annual periods beginning on or after January 1, 2013, sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. The main requirements of the interpretation are as follows:

- Waste removal costs (stripping costs) incurred in the production phase of surface mining are accounted for in accordance with IAS 2 *Inventories* to the extent they relate to current period production.
- Production stripping costs are recognized as a non-current asset ("stripping activity asset") if all the following criteria are met; (i) it is probable that future economic benefits will flow to the entity, (ii) the entity can identify the component of the ore body to which access has been improved, (iii) the costs incurred can be measured reliably. The stripping activity asset is amortized over the useful life of the component of the ore body to which access has been improved.
- When the costs are not separately identifiable between a stripping activity asset versus current period inventory, costs are allocated based on a production method.
- Application of the interpretation is on a prospective basis, with transitional adjustments being recognized in opening retained earnings.

There was no change on the adoption of this accounting policy as the Company's mineral properties are not in operation.



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

IAS 1 Presentation of Financial Statements

In June 2011, the IAS issued amendments to IAS 1 that requires an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The application of the amendments to IAS 1 did not have a material impact on the consolidated financial statements.

Future accounting changes

A number of new standards, amendments to standards and interpretations, are not yet effective and have not been applied in preparing these unaudited condensed consolidated interim financial statements. These standards include IFRS 9 *Financial Instruments*, and IAS 32 *Financial Instruments: Presentation, and Investment Entities*.

IFRS 9 Financial Instruments

In November 2009, the IASB issued, and subsequently revised in October 2010, IFRS 9 *Financial Instruments* ("IFRS 9") as part of its ongoing project to replace IAS 39. IFRS 9 will be effective for annual periods beginning on or after January 1, 2015, with earlier application permitted. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. Management is evaluating the impact, if any, the adoption of this standard will have on the disclosures in its financial statements.

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

On December 16, 2011 the IASB published amendments to IAS 32 *Financial Instruments: Presentation* to clarify the application of the offsetting requirements. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

Please refer to Note 3 of the Company's 2012 annual consolidated financial statements for more information.



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

4. 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, 2013, totaled \$32,819,769 (December 31, 2012 - \$36,156,536).

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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the three months ended March 31, 2013.

The Company is not subject to any capital requirements imposed by a lending institution.

5. 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 cash equivalents. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash and guaranteed investment certificates 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 and cash equivalents of \$7,106,194 (December 31, 2012 - \$11,278,902) to settle current liabilities of \$2,016,550 (December 31, 2012 - \$3,057,042). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity (Note 1).



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2013:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents				
Cash	\$ 1,665,970	\$ -	\$ -	\$ 1,665,970
Cash equivalents	-	5,440,224	-	5,440,224
	\$ 1,665,970	\$ 5,440,224	\$ -	\$ 7,106,194

Level 2 fair values are determined, directly or indirectly, using inputs that are observable for the asset or liability. Fair values falling within the Level 2 category are determined through the use of quoted prices in active markets, which in some cases are adjusted for factors specific to the asset or liability. The Company includes, in Level 2, Canadian guaranteed investment certificates held with a major Canadian financial institution.

Currency Risk

The Company's functional and reporting 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 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.

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and assets. In the normal course of business, the Company is exposed to interest rate fluctuations as a result of cash equivalents being invested in interest-bearing instruments. Interest rate risk is minimal as the Company's interest-bearing instruments have fixed interest rates.



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

6. Equipment

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Total
Cost						
As at December 31, 2012	\$ 73,613	\$ 2,892,138	\$ 299,973	\$ 149,605	\$ 475,237	\$ 3,890,566
Additions	-	-	-	-	(1,648)	(1,648)
As at March 31, 2013	\$ 73,613	\$ 2,892,138	\$ 299,973	\$ 149,605	\$ 473,589	\$ 3,888,918
Accumulated Depreciation						
As at December 31, 2012	\$ 31,916	\$ 860,311	\$ 89,345	\$ 49,207	\$ 265,692	\$ 1,296,471
Charge for the period	4,761	169,358	17,211	9,369	48,805	249,504
As at March 31, 2013	\$ 36,677	\$ 1,029,669	\$ 106,556	\$ 58,576	\$ 314,497	\$ 1,545,975
Net Book Value						
As at December 31, 2012	\$ 41,697	\$ 2,031,827	\$ 210,628	\$ 100,398	\$ 209,545	\$ 2,594,095
As at March 31, 2013	\$ 36,936	\$ 1,862,469	\$ 193,417	\$ 91,029	\$ 159,092	\$ 2,342,943

7. 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 Joint Venture Agreement (the "Upper Puruni Agreement"), a joint venture agreement between ETK and Mr. Alfro Alphonso. The Toroparu Project is subject to the terms of the Upper Puruni Agreement. In 2004, in anticipation of the test mining to be conducted by ETK, ETK requested that Mr. Alphonso seek the permission of the Guyana Geology & Mines Commission to convert certain PPMSs into the ten MPs.

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 joint venture 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 and ETK paid Mr. Alphonso during its test and alluvial mining operations. As production was not achieved by January 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



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

this year. This penalty will be applied in years 2014 and 2015 if commercial production is not yet achieved.

The Upper Puruni Agreement also gives ETK the option of purchasing 100% of Mr. Alphonso's interest in the Upper Puruni 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, 2013, the carrying amount of the Company's interest in mineral properties is as follows:

	March 31, 2013	December 31, 2012
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, 2013 and 2012.

	Three Months Ended	
	3/31/2013	3/31/2012
	\$	\$
Upper Puruni Exploration Costs		
Camp Expenses	292,179	1,172,464
Consulting	38,387	102,419
Depreciation	180,522	181,680
Drilling Costs	-	1,772,934
Engineering Studies	853,462	632,369
Lab Fees	36,911	617,576
Office and Administrative Costs	69,230	319,712
Salaries and Benefits	709,496	1,189,538
Travel and Accommodation	29,307	250,652
Production Commitment Fees	239,594	-
Prospecting Licenses	98,804	191,244
Total Exploration Costs	2,547,892	6,430,588



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

8. Share Capital

The Company is authorized to issue an unlimited amount of common shares. The issued and outstanding common shares consist of the following:

	Number of Common Shares		Amount
Balance, December 31, 2012	132,358,606	\$	117,099,645
Balance, March 31, 2013	132,358,606	\$	117,099,645

9. Stock Options

The following table shows the continuity of stock options during the three month period ended March 31, 2013:

	Number of Options	Allocated Value of Vested Options	Weighted Average Exercise Price
Balance, December 31, 2012	9,742,850	\$ 7,062,637	\$ 1.32
Value of options vested during the period	-	166,619	-
Granted (i)	2,410,000	217,088	0.41
Forfeited	(12,500)	(7,773)	2.08
Expired	(118,750)	(145,631)	1.55
Balance, March 31, 2013	12,021,600	\$ 7,292,940	\$ 1.12

- i. On February 7, 2013, the Company granted 1,650,000 stock options to employees of the Company exercisable for one common share each at a price of \$0.41 per share for a five year period. These stock options will vest at the rate of 25% at each of 6, 12, 18, and 24 months after the date of grant. The grant date fair value of \$354,420 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: a 4.55 year expected term; 64.3% volatility; risk-free rate of 1.48% per annum; and a dividend rate of nil. For the three months ended March 31, 2013, \$53,840 was expensed to stock-based compensation. The Company also granted 750,000 stock options to directors of the Company exercisable for one common share each at a price of \$0.41 per share for a five year period. These stock options vested immediately. The grant date fair value of \$161,100 was assigned to the stock options as estimated by using the Black-Scholes valuation model described above. For the three months ended March 31, 2013, \$161,100 was expensed to stock-based compensation. The Company also granted 10,000 stock options to a consultant of the Company exercisable for one common share each at a price of \$0.41 per share for a five year period. These stock options



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

vested immediately. The grant date fair value of \$2,148 was assigned to the stock options as estimated by using the Black-Scholes valuation model described above. For the three months ended March 31, 2013, \$2,148 was expensed to stock-based compensation.

- ii. The weighted average grant date fair value of the total options granted during the three months ended March 31, 2013 is \$0.21 (March 31, 2012 – \$0.78).

The following are the stock options outstanding as at March 31, 2013:

Expiry Date	Options Outstanding	Exercise Price	Remaining Contractual Life (Yrs)	Options Exercisable
November 24, 2014	2,803,100	\$ 0.50	1.65	2,803,100
January 8, 2015	50,000	\$ 1.25	1.78	50,000
February 8, 2015	65,000	\$ 1.44	1.86	65,000
March 29, 2015	615,000	\$ 1.60	1.99	615,000
July 7, 2015	295,000	\$ 1.24	2.27	295,000
January 6, 2016	125,000	\$ 3.54	2.77	125,000
January 24, 2016	125,000	\$ 3.10	2.82	125,000
February 25, 2016	1,292,500	\$ 2.70	2.91	1,292,500
August 1, 2016	135,000	\$ 2.52	3.34	101,250
September 29, 2016	500,000	\$ 1.53	3.50	500,000
January 10, 2017	845,000	\$ 1.26	3.78	427,500
January 16, 2017	1,750,000	\$ 1.38	3.80	1,437,500
September 6, 2017	1,011,000	\$ 0.60	4.44	677,667
February 7, 2018	2,410,000	\$ 0.41	4.86	760,000
	12,021,600		3.28	9,274,517

10. Loss per Share

The calculation of basic and diluted loss per share for the three months ended March 31, 2013 was based on the loss attributable to common shareholders of \$3,712,701 (three months ended March 31, 2012 - \$9,029,151) and the weighted average number of common shares outstanding of 132,358,606 (three months ended March 31, 2011 – 109,004,168). Diluted loss per share did not include the effect of 12,021,600 share purchase options as they are anti-dilutive.



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

11. 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:

	3/31/2013	12/31/2012
Travel expenses reimbursed to officers and directors of the Company,	\$ 46,060	\$ 33,114
Administrative expenses reimbursed to officers and directors of the Company,	1,794	2,597
Administrative, occupancy and salary expenses reimbursable to a company controlled by a director/V.P. of the Company, P. Greg Barnes	13,252	21,616
	\$ 61,106	\$ 57,327

(b) The Company had the following related party transactions during the three months ended March 31, 2013.

	3/31/2013	3/31/2012
Travel expenses reimbursed to officers and directors of the Company,	\$ 63,462	\$ 71,053
Administrative expenses reimbursed to officers and directors of the Company,	5,159	3,911
Administrative, occupancy and salary expenses reimbursable to a company controlled by a director/V.P. of the Company, P. Greg Barnes	46,174	147,741
	\$ 114,795	\$ 222,705



Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three Months Ended March 31, 2013

(Expressed in Canadian Dollars)

(Unaudited)

12. 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, 2012				
	Canada	United States	Guyana	Total
Current assets	\$ 9,910,389	\$ 1,220,895	\$ 427,128	\$ 11,558,412
Non-current assets	17,970	62,835	27,574,361	27,655,166
	\$ 9,928,359	\$ 1,283,730	\$ 28,001,489	\$ 39,213,578

March 31, 2013				
	Canada	United States	Guyana	Total
Current assets	\$ 5,513,483	\$ 1,645,101	\$ 273,721	\$ 7,432,305
Non-current assets	8,895	51,157	27,343,962	27,404,014
	\$ 5,522,378	\$ 1,696,258	\$ 27,617,683	\$ 34,836,319

13. Commitments

The Alphonso joint venture provides that ETK shall commence commercial production, defined as production of 50,000 ounces of gold per year, beginning January 1, 2013 or in lieu thereof pay Mr. Alphonso an annual sum of the Guyana dollar equivalent of USD \$250,000 in years 2014 and 2015 if commercial production has not commenced. If commercial production has not been commenced by 2017, Mr. Alphonso may declare a default under the agreement unless the Company has exercised its option to purchase Mr. Alphonso's interest in the joint venture for the sum of USD \$20,000,000.

