

---

# Sandspring Resources Ltd.

Condensed Consolidated Interim Financial Statements  
(Unaudited)

Expressed in Canadian Dollars  
Three and Six Months Ended June 30, 2012

---



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

		6/30/2012	12/31/2011
<b>ASSETS</b>			
	<u>Notes</u>	\$	\$
<b>Current</b>			
Cash and cash equivalents		19,841,906	12,003,357
Prepaid expenses		364,966	207,615
		<b>20,206,872</b>	<b>12,210,972</b>
Equipment	6	3,084,629	3,562,570
Mineral properties under exploration	7	25,061,071	25,061,071
		<b>48,352,572</b>	<b>40,834,613</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		2,559,351	4,712,358
<b>SHAREHOLDERS' EQUITY</b>			
Common Shares	8	116,517,008	93,031,310
Warrant Reserve	9	1,591,101	1,591,101
Stock Option Reserve	10	7,382,504	5,520,810
Deficit		(79,697,392)	(64,020,966)
		<b>45,793,221</b>	<b>36,122,255</b>
		<b>48,352,572</b>	<b>40,834,613</b>

*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, Director

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
	\$	\$	\$	\$
Expenditures				
Administrative	302,181	812,366	739,368	1,355,116
Consulting	372,991	381,577	785,647	981,655
Depreciation	255,578	47,042	509,119	72,572
Drilling	1,231,760	3,333,513	3,004,694	5,437,088
Foreign exchange loss	30,082	26,258	62,579	144,973
Operations	1,816,980	2,599,229	4,172,111	3,675,051
Other	13,267	34,820	42,058	42,184
Professional fees	112,021	246,872	340,495	401,206
Salaries and other employee benefits	1,616,804	1,140,267	3,014,476	2,093,804
Shareholder information	174,673	344,339	490,080	519,011
Stock based compensation	442,884	471,650	1,861,694	2,184,209
Transfer, listing and filing fees	15,535	13,830	60,314	88,857
Travel	316,544	437,335	663,143	722,936
	<b>6,701,300</b>	<b>9,889,098</b>	<b>15,745,778</b>	<b>17,718,662</b>
Other				
Interest income	54,025	96,188	69,352	218,781
	<b>54,025</b>	<b>96,188</b>	<b>69,352</b>	<b>218,781</b>
Net loss and comprehensive loss for the period	<b>(6,647,275)</b>	<b>(9,792,910)</b>	<b>(15,676,426)</b>	<b>(17,499,881)</b>
Loss per share				
Basic	(0.05)	(0.09)	(0.13)	(0.16)
Diluted	(0.05)	(0.09)	(0.13)	(0.16)
Weighted average number of shares outstanding				
Basic	131,968,637	108,046,034	120,486,402	107,937,274
Diluted	131,968,637	108,046,034	120,486,402	107,937,274

*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	Reserves Warrant Reserve	Stock Option Reserve	Deficit	Total
<b>Balance, December 31, 2010</b>	<b>\$ 91,627,363</b>	<b>\$ 1,594,443</b>	<b>\$ 2,735,101</b>	<b>\$ (27,167,554)</b>	<b>\$ 68,789,353</b>
Shares issued on exercise of options	422,630	-	-	-	422,630
Value of options exercised	250,242	-	(250,242)	-	-
Shares issued on exercise of warrants	28,213	-	-	-	28,213
Value of warrants exercised	15,878	(15,878)	-	-	-
Stock based compensation	-	-	2,184,209	-	2,184,209
Shares issued on exercise of compensation options	3,938	-	-	-	3,938
Value of warrants issued on exercise of compensation options	(3,938)	3,938	-	-	-
Net loss for the period	-	-	-	(17,499,881)	(17,499,881)
<b>Balance, June 30, 2011</b>	<b>\$ 92,344,326</b>	<b>\$ 1,582,503</b>	<b>\$ 4,669,068</b>	<b>\$ (44,667,435)</b>	<b>\$ 53,928,462</b>
<b>Balance, December 31, 2011</b>	<b>\$ 93,031,310</b>	<b>\$ 1,591,101</b>	<b>\$ 5,520,810</b>	<b>\$ (64,020,966)</b>	<b>\$ 36,122,255</b>
Shares issued on exercise of options	13,333	-	-	-	13,333
Stock based compensation	-	-	1,861,694	-	1,861,694
Shares issued on private placement	25,002,000	-	-	-	25,002,000
Share issue cost from private placement	(1,529,635)	-	-	-	(1,529,635)
Net loss for the period	-	-	-	(15,676,426)	(15,676,426)
<b>Balance, June 30, 2012</b>	<b>\$ 116,517,008</b>	<b>\$ 1,591,101</b>	<b>\$ 7,382,504</b>	<b>\$ (79,697,392)</b>	<b>\$ 45,793,221</b>

*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)*

		Six Months Ended June 30,	
		2012	2011
<b>Cash provided by:</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>			
Net loss		(15,676,426)	(17,499,881)
Adjustments for:			
Depreciation		509,119	72,572
Stock-based compensation		1,861,694	2,184,209
Change in non-cash working capital			
Prepaid expenses		(157,351)	(187,576)
Accounts payable		(2,153,007)	866,052
		(15,615,971)	(14,564,624)
Interest received		69,352	218,781
<b>Investing Activities</b>			
Purchase of equipment	6	(31,178)	(2,173,414)
		(31,178)	(2,173,414)
<b>Financing Activities</b>			
Shares issued on private placement net of expenses		23,472,365	-
Proceeds from exercise of stock options		13,333	422,630
Proceeds from exercise of warrants		-	28,213
Proceeds from exercise of compensation options		-	3,938
		23,485,698	454,781
<b>Cash and cash equivalents, beginning of period</b>		<b>12,003,357</b>	<b>45,687,371</b>
Net (decrease) increase in cash		7,838,549	(16,283,257)
<b>Cash and cash equivalents, end of period</b>		<b>19,841,906</b>	<b>29,404,114</b>

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

# Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

---

## 1. 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.

## 2. Basis of Presentation

Sandspring is at an early stage of development and raises financing for its exploration and acquisition activities. The Company has incurred a loss in the current and prior periods, with a net loss for the six months ended June 30, 2012 of \$15,676,426, and has an accumulated deficit of \$79,697,392. In addition, the Company had a working capital balance of \$17,647,521 at June 30, 2012. During the six months ended June 30, 2012, the Company raised gross proceeds of approximately \$25.0 million (note 8(i)), which will finance planned spending over the next twelve months. Further financing will be required for operations beyond the next 12 months. While there is no assurance these funds can be raised, the Company believes such financing will be available as required. The Company’s discretionary exploration activities do have considerable scope for flexibility in terms of the amount and timing of exploration expenditure, and expenditures may be adjusted accordingly.

## 3. Significant Accounting Policies

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, 2011.

The accounting policies applied by the Company in these unaudited condensed consolidated interim financial statements are the same as those applied by Sandspring in its most recent annual financial statements as at and for the year ended December 31, 2011.

### *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 and amendments are fully described in the Company’s 2011 audited financial statements. Management has not yet determined the impact that these new standards and amendments will have on the Company’s consolidated financial statements.



## **Sandspring Resources Ltd.**

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

---

### **4. Capital Management**

The Company manages its capital with the following objectives:

- i. to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- ii. to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be total shareholders' equity (managed capital), which as at June 30, 2012 totaled \$45,793,221 (December 31, 2011 - \$36,122,255).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on activities related to its mineral properties. Selected information is frequently provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the six months ended June 30, 2012.

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



## **Sandspring Resources Ltd.**

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

---

### **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*

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 \$19,841,906 (December 31, 2011 – \$12,003,357) to settle current liabilities of \$2,559,351 (December 31, 2011 – \$4,712,358). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

#### *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 against the Canadian dollar. The Company's exposure to the currency risk of Guyanese dollars is not material.





## Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

### Interest Rate Risk

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.

### Fair Value

As at June 30, 2012, the carrying and fair value amounts of the Company's financial instruments were approximately equivalent due to their short term maturities.

## 6. Equipment

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Total
<b>Cost</b>						
As at December 31, 2011	\$ 73,613	\$ 2,872,343	\$ 291,938	\$ 149,605	\$ 441,004	\$ 3,828,503
Additions	-	16,982	2,534	-	11,662	31,178
As at June 30, 2012	\$ 73,613	\$ 2,889,325	\$ 294,472	\$ 149,605	\$ 452,666	\$ 3,859,681
<b>Accumulated Depreciation</b>						
As at December 31, 2011	\$ 12,609	\$ 174,020	\$ 20,689	\$ 11,208	\$ 47,407	\$ 265,933
Charge for the period	9,602	341,173	34,085	18,896	105,363	509,119
As at June 30, 2012	\$ 22,211	\$ 515,193	\$ 54,774	\$ 30,104	\$ 152,770	\$ 775,052
<b>Net Book Value</b>						
As at December 31, 2011	\$ 61,004	\$ 2,698,323	\$ 271,249	\$ 138,397	\$ 393,597	\$ 3,562,570
As at June 30, 2012	\$ 51,402	\$ 2,374,132	\$ 239,698	\$ 119,501	\$ 299,896	\$ 3,084,629



## Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

### 7. Mineral Properties Under Exploration

As at June 30, 2012, the carrying amount of the Company's interest in mineral properties is as follows:

	June 30, 2012	December 31, 2011
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 June 30, 2012 and 2011.

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2012	2011	2012	2011
	\$	\$	\$	\$
Upper Puruni Exploration Costs				
Camp Expenses	995,930	1,252,013	2,168,394	1,833,967
Consulting	213,214	143,463	315,633	323,460
Depreciation	184,092	44,007	365,772	63,685
Drilling Costs	1,231,760	3,333,513	3,004,694	5,437,088
Engineering Studies	339,453	635,280	971,822	1,016,357
Lab Fees	393,908	509,777	1,011,484	871,071
Office and Administrative Costs	196,663	760,138	516,375	1,217,109
Salaries and Benefits	1,322,790	932,137	2,512,328	1,504,448
Travel and Accommodation	258,281	362,649	508,933	578,271
Prospecting Licenses	197,518	186,150	388,762	292,392
Total Exploration Costs	5,333,609	8,159,127	11,764,197	13,137,848

## Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(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, 2011	108,749,772	\$ 93,031,310
Issued on exercise of options	133,334	13,333
Value of options exercised		-
Issued on bought deal private placement <sup>(i)</sup>	23,150,000	25,002,000
Share issue expense		(1,529,635)
Balance, June 30, 2012	132,033,106	\$ 116,517,008

- i. On March 30, 2012 the Company completed a bought deal offering of 23,150,000 Common Shares with a syndicate of underwriters co-led by RBC Capital Markets and Scotiabank at a price of \$1.08 per Common Share for gross proceeds of \$25,002,000.

### 9. Warrants

As at June 30, 2012, the Company has a total of 5,486,517 warrants outstanding and exercisable.

The following table shows the continuity of warrants during the period:

	Number of Warrants	Allocated Value	Weighted Average Exercise Price
Balance, December 31, 2011	5,486,517	\$ 1,591,101	\$ 0.50
Balance, June 30, 2012	5,486,517	\$ 1,591,101	\$ 0.50

The following warrants were outstanding as at June 30, 2012:

Number of Warrants	Allocated Value	Exercise Price	Expiry Date
5,486,517	\$ 1,591,101	\$ 0.50	November 24, 2012



## Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

### 10. Stock Options

The following table shows the continuity of stock options during the six month period ended June 30, 2012:

	Number of Options	Allocated Value of Vested Options	Weighted Average Exercise Price
Balance, December 31, 2011	7,011,434	\$ 5,520,810	\$ 1.49
Value of options vested during the period	-	398,381	-
Granted (i, ii,)	2,942,000	1,567,754	1.33
Forfeited during the period	(192,500)	(104,441)	1.62
Exercised during the period	(133,334)	-	0.10
Balance, June 30, 2012	9,627,600	\$ 7,382,504	\$ 1.46

- i. On January 10, 2012, the Company granted 1,192,000 stock options to employees of the Company exercisable for one common share each at a price of \$1.26 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 \$871,114 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: a five year expected term; 70% volatility; risk-free rate of 1.29% per annum; and a dividend rate of nil. For the six months ended June 30, 2012, \$429,312 was expensed to stock-based compensation.
- ii. On January 16, 2012, the Company granted 625,000 stock options to officers and employees of the Company exercisable for one common share each at a price of \$1.38 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 \$500,188 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: a five year expected term; 70% volatility; risk-free rate of 1.28% per annum; and a dividend rate of nil. For the six months ended June 30, 2012, \$238,104 was expensed to stock-based compensation. The Company also granted 1,125,000 stock options to directors of the Company exercisable for one common share each at a price of \$1.38 per share for a five year period. These stock options vested immediately. The grant date fair value of \$900,338 was assigned to the stock options as estimated by using the Black-Scholes valuation model described above. For the six months ended June 30, 2012, \$900,338 was expensed to stock-based compensation.
- iii. The weighted average grant date fair value of the total options granted during the six months ended June 30, 2012 was \$0.77.
- iv. The weighted average share price on the date of exercise during the six months ended June 30, 2012 was \$0.67.



## Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

The following are the stock options outstanding as at June 30, 2012:

Expiry Date	Options Outstanding	Exercise Price	Remaining Contractual Life (Yrs)	Options Exercisable
September 21, 2012 (i)	500,000	\$ 2.60	0.23	500,000
November 24, 2014	2,903,100	\$ 0.50	2.40	2,903,100
January 8, 2015	50,000	\$ 1.25	2.53	50,000
February 8, 2015	65,000	\$ 1.44	2.61	65,000
March 29, 2015	615,000	\$ 1.60	2.75	615,000
July 7, 2015	295,000	\$ 1.24	3.02	295,000
January 6, 2016	125,000	\$ 3.54	3.52	125,000
January 24, 2016	125,000	\$ 3.10	3.57	125,000
February 25, 2016	1,397,500	\$ 2.70	3.66	927,500
August 1, 2016	235,000	\$ 2.52	4.09	58,750
September 29, 2016	500,000	\$ 1.53	4.25	500,000
January 10, 2017	1,067,000	\$ 1.26	4.53	-
January 16, 2017	1,750,000	\$ 1.38	4.55	1,125,000
	9,627,600		3.31	7,289,350

- i. Issued with expiration of October 19, 2015, however, the expiration date was changed due to the receiving officer resigning from the Company effective September 21, 2011. The Board of Directors voted to allow one year for the resigning officer to exercise these fully vested options.

### 11. Loss per Share

The calculation of basic and diluted loss per share for the six months ended June 30, 2012 was based on the loss attributable to common shareholders of \$15,676,426 (six months ended June 30, 2011 - \$17,499,881) and the weighted average number of common shares outstanding of 120,486,402 (six months ended June 30, 2011 - 107,937,274). Diluted loss per share did not include the effect of 9,627,600 share purchase options, and 5,486,517 warrants as they are anti-dilutive.

The calculation of basic and diluted loss per share for the three months ended June 30, 2012 was based on the loss attributable to common shareholders of \$6,647,275 (three months ended June 30, 2011 - \$9,792,910) and the weighted average number of common shares outstanding of 131,968,637 (three months ended June 30, 2011 - 108,046,034). Diluted loss per share did not include the effect of 9,627,600 share purchase options, and 5,486,517 warrants as they are anti-dilutive.



## Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

### 12. 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:

	6/30/2012	12/31/2011
Travel expenses reimbursed to officers and directors of the Company,	\$ 41,118	\$ 24,519
Administrative expenses reimbursed to officers and directors of the Company,	838	191
Administrative, occupancy and salary expenses reimbursable to a company controlled by a Vice President of the Company, P. Greg Barnes	48,829	72,480
	<u>\$ 90,785</u>	<u>\$ 97,190</u>

- b) The Company had the following related party transactions during the six months ended June 30, 2012:

	6/30/2012	6/30/2011
Travel expenses reimbursed to officers and directors of the Company,	\$ 129,229	\$ 128,332
Administrative expenses reimbursed to officers and directors of the Company,	7,444	18,622
Administrative, occupancy and salary expenses reimbursable to a company controlled by a Vice President of the Company, P. Greg Barnes	223,079	349,692
	<u>\$ 359,752</u>	<u>\$ 496,646</u>

- c) Remuneration of Directors and key management of the Company was as follows:

	6/30/12	6/30/11
Salaries and benefits for management	\$ 568,245	\$ 575,698
Directors fees	91,643	54,500
Share based payments	1,299,121	1,572,479
	<u>\$ 1,959,009</u>	<u>\$ 2,202,677</u>



## Sandspring Resources Ltd.

Notes to the Condensed Consolidated Interim Financial Statements

Three and Six Months Ended June 30, 2012

(Expressed in Canadian Dollars)

(Unaudited)

### 13. 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, 2011

	Canada	United States	Guyana	Total
Current assets	\$ 10,228,770	\$ 1,698,429	\$ 283,773	\$ 12,210,972
Non-current assets	84,172	96,822	28,442,647	28,623,641
	\$ 10,312,942	\$ 1,795,251	\$ 28,726,420	\$ 40,834,613

June 30, 2012

	Canada	United States	Guyana	Total
Current assets	\$ 16,264,735	\$ 3,592,994	\$ 349,142	\$ 20,206,871
Non-current assets	56,285	2,781,576	25,307,840	28,145,701
	\$ 16,321,020	\$ 6,374,570	\$ 25,656,982	\$ 48,352,572

### 14. 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 Guyanese dollar equivalent of US\$250,000 in years 2013, 2014 and 2015 if commercial production is not commenced. If commercial production has not commenced by 2016, 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 US\$20,000,000. In addition, the Company is required to spend US\$250,000 on exploration and development during the year ending December 31, 2012 under the Alphonso joint venture.

