



SANDSPRING

RESOURCES LTD.

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**Management's Discussion and Analysis
Three and Nine Months Ended September 30, 2014**

Prepared by:

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Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Sandspring Resources Ltd. (the "Company" or "Sandspring") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2014. References to "Sandspring" in the MD&A refer to the Company and its subsidiaries taken as a whole. This discussion is dated November 21, 2014, unless otherwise indicated and should be read in conjunction with the unaudited condensed consolidated interim financial statements of Sandspring for the three and nine months ended September 30, 2014, the annual audited consolidated financial statements and MD&A for the year ended December 31, 2013, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2014 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

Further information about the Company and its operations is available on Sandspring's website at www.sandspringresources.com or on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. The Company's outstanding common shares (the "Common Shares") are listed on the TSX Venture Exchange (the "TSXV") under the symbol "SSP".

Description of Business

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on September 20, 2006. On November 24, 2009, the Company announced the completion of the acquisition (the "Acquisition") of 100% of the issued and outstanding shares of GoldHeart Investment Holdings Ltd. ("GoldHeart") which qualified as the Company's qualifying transaction (the "Qualifying Transaction"). GoldHeart, through its wholly-owned subsidiary ETK Inc. ("ETK"), holds certain mineral and prospecting interests in an area within the Republic of Guyana, South America that the Company refers to as the Upper Puruni Property. The Company continued out of Alberta and into Ontario effective March 31, 2010.

The Company holds, within the exterior boundaries of the Upper Puruni Property, the Toroparu Project which hosts a mineral reserve consisting of 4.107 million ounces of gold and 211 million pounds of copper contained within 127.1 million tonnes at a grade of 1.00 g/t gold and 0.11% copper in the proven and probable mineral categories.

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The 127.1 million tonne reserve includes 51.8 million tonnes of gold ore with copper, having grades of 1.17 g/t gold and 0.18% copper that will be recovered in flotation and cyanide leach processing circuit; and 70.3 million tonnes of gold ore with low copper grading 0.89 g/t gold, plus 5 million tonnes of sapolite gold ore grading 0.91 g/t gold that will be recovered in the cyanide leach processing circuit.

Further, the Toroparu Project hosts a mineral resource consisting of (i) 6.89 million ounces of gold and 444 million pounds of copper contained within 240.2 million tonnes at a grade of 0.89 g/t gold and 0.084% copper in the measured and indicated mineral resource categories, and (ii) 3.09 million ounces of gold and 120 million pounds of copper contained within 129.5 million tonnes at a grade of 0.74 g/t gold and 0.042% copper in the inferred mineral resource category. Further information is contained in the Company's technical report effective May 8, 2013 (the "Technical Report") prepared in accordance with National Instrument 43-101 ("NI 43-101") available on www.sedar.com.

The Company is in the process of exploring the Upper Puruni Property and developing the Toroparu Project. The Company's ability to ensure continuing operations is dependent on, among other things, confirmation of its interest in the underlying mineral claims and its ability to obtain necessary financing to complete exploration activities, development and future profitable production.

The Company's goal is to provide superior returns to its shareholders by (i) focusing on the exploration and development of its mineral and prospecting interests in the Upper Puruni Property and (ii) evaluating, and acquiring if appropriate, other mineral opportunities within Guyana.

Outlook and Overall Performance

As at September 30, 2014, the Company had a deficit of \$116,381,347 (December 31, 2013 - \$102,663,345), incurred losses in the nine months ended September 30, 2014 amounting to \$13,718,002 (nine months ended September 30, 2013 - \$8,650,287), and had negative cash flows from operating activities in the nine months ended September 30, 2014 of \$13,571,507 (nine months ended September 30, 2013 - \$9,327,367). At September 30, 2014, the remaining budgeted expenditures for completion of the feasibility study exceed the working capital of \$750,795. Management has determined that it is in the best interest of the shareholders and prudent for the Company to raise financing to complete the feasibility study and fund associated corporate overhead costs (see liquidity and capital resources, page 12). This will enable the Company to meet its conditions for ongoing financing under the Silver Wheaton gold purchase agreement and maintain the momentum and progress to date with the Company's consultants to finalize the feasibility study.

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During the nine months ended September 30, 2014, the Company spent \$11,839,010 on engineering, exploration and development expenditures in the Upper Puruni Property as compared to \$5,470,664 for the nine months ended September 30, 2013. The following table sets forth a breakdown of material components of the Company's engineering, exploration and development expenditures for the three and nine months ended September 30, 2014 and 2013.

	Three Months Ended		Nine Months Ended	
	9/30/2014	9/30/2013	9/30/2014	9/30/2013
	\$	\$	\$	\$
Upper Puruni Exploration Costs				
Camp Expenses	52,641	250,545	1,270,672	661,942
Consulting	7,106	8,875	62,026	51,252
Depreciation	168,062	181,958	500,432	540,050
Engineering Studies	2,589,109	14,044	6,946,651	1,338,312
Lab Fees	(594)	-	250,149	52,018
Office and Administrative Costs	51,576	46,653	229,959	192,573
Salaries and Benefits	377,324	633,256	1,627,058	2,046,723
Travel and Accommodation	11,867	35,388	360,659	125,867
Production Commitment Fees	(29,585)	-	260,083	243,254
Prospecting Licenses	55,541	66,733	331,321	218,673
Total Exploration Costs	3,283,047	1,237,452	11,839,010	5,470,664

Trends

The Company anticipates that it will continue to experience net losses as a result of ongoing exploration and evaluation of the Upper Puruni Property and operating costs until such time as revenue-generating activity is commenced. The Company's future financial performance is dependent on many external factors. Both the price of, and the market for, gold is volatile, difficult to predict, and subject to changes in domestic and international political, social, and economic environments. Circumstances and events such as current economic conditions and ongoing volatility in the capital markets could materially affect the future financial performance of the Company. For a summary of other factors and risks that have affected, and which in the future may affect, the Company and its financial position, please refer to the sections entitled "Trends" and "Risk Factors" in the Company's management's discussion and analysis for the fiscal year ended December 31, 2013, available on SEDAR at www.sedar.com.

Contingencies

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. As at September 30, 2014, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future and anticipates that such obligations will only arise when mine development commences.

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Off-Balance Sheet Arrangements

As of the date of this discussion, the Company has no material off-balance sheet arrangements, such as guarantee contracts, derivative instruments, or any other obligations that would have triggered financing, liquidity, market or credit risk to actual or proposed transactions.

Mineral Properties Under Exploration

Property Description and Location

The Toroparu Project is located within Sandspring's 242,690.8 acre (98,214 hectares) mineral exploration concession area in the Upper Puruni River Area, Region 7 of northwestern Guyana, South America and is 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 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.

Ten parcels of land are subject to applications for the issuance of PPMSs filed by Mr. Wallace Daniels, a local Guyana resident. Ownership of PPMSs covering these ten parcels of land is the subject of a dispute between Mr. Daniels and a third party. The Company does not consider the disputed parcels as having any material value and the parcels do not form any part of the resource estimate for the Toroparu Project and are not included in the Technical Report.

All mineral tenure in Guyana is owned by the Government of Guyana and is regulated by the Guyana Geology and Mines Commission ("GGMC"). The Guyanese mineral tenure system is structured to permit four scales of operation. These include small scale claims licenses of 460 x 245 meters or a river claim consisting of one mile of a navigable river and are restricted to ownership by Guyanese. PPMSs and MPs cover between 150 to 1,200 acres each and are restricted to ownership by Guyanese. Foreigners may enter into joint venture arrangements whereby the two parties jointly develop property subject to PPMSs, MPs and small scale claim licenses. PLs covering between 500 and 12,800 acres are granted to domestic and foreign companies. Large areas for geological surveys are granted as Permission for Geological and Geophysical Surveys with the objective of applying for PLs over favourable ground.

The rights to the five PLs acquired by ETK from the Government of Guyana were held directly by and are registered solely in the name of ETK. The term for PLs is three years with two rights of renewal for one year each. After renewing the PLs twice, ETK was given permission to recommence the five-year process and apply for new PLs. ETK has paid all rentals for the PLs that are expected to be issued on the undertaking of GGMC that such issuance will occur. Material components of project expenditures for the PLs that were incurred in the nine months ended September 30, 2014 total \$331,321 (September 30, 2013 - \$218,673). These expenditures included geologic mapping equipment, environmental testing and reconnaissance and exploration.

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ETK also holds interest in PPMs, MPs and small scale claims in the Upper Puruni Property through joint ventures with local Guyanese individuals (Messrs. Alfro Alphonso ("Alphonso") and Wallace Daniels ("Daniels")), and the Godette family ("Godette")) who have been issued the various types of claim ownership by GGMC. Only a portion of the Upper Puruni Joint Venture (as described below) is the subject of the Technical Report.

Upper Puruni

ETK has rights to 148 PPMs, ten MPs and seven small scale claims pursuant to a joint venture agreement between ETK and Mr. Alfro Alphonso (the "Upper Puruni Agreement"). 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 GGMC to convert certain PPMs 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 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. The Upper Puruni Agreement provides that ETK shall commence commercial production, defined as production of 50,000 ounces of gold per year, beginning on January 1, 2013 or in lieu thereof pay Mr. Alphonso an annual sum of the Guyana dollar equivalent of US \$250,000 in years 2014 and 2015 if commercial production has not commenced. 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 2013. On April 22, 2014, Mr. Alphonso and the Company amended the Upper Puruni Agreement, such that the 2014 penalty of US \$250,000 as due and payable will be paid on the due date of the penalty for the 2015 calendar year at which time the penalty payments for 2014 and 2015 shall be paid in full.

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 Alfro 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 MP would be included in the mining license.

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 PPMs and MPs could be impacted if the buy-out option is exercised prior to the conversion of the PPMs 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.

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The bulk of the Company's work has focused on the Toroparu Project and the surrounding area. All exploration expenditures (excluding those incurred on the PLs) listed under "Outlook and Overall Performance" above were incurred on areas contained within the Upper Puruni Agreement. The total amount spent on engineering, exploration and development expenditures in these areas during the nine months ended September 30, 2014 was \$11,507,689 (September 30, 2013 - \$5,251,991).

Rentals and Royalties

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

Environmental Liabilities

The Upper Puruni Property is not the subject of any known environmental liabilities.

Location of Known Mineralization, Resources, Mine Workings, and Tailings Ponds

The Toroparu Project is located within the exterior boundaries of the Upper Puruni Property. The area comprising the Toroparu Project is the only area within the Upper Puruni Property on which mineral resources have been defined. Although the entire Upper Puruni Property has not been surveyed formally on the ground, surveys have been conducted in parts of the Upper Puruni Property relating to road-building and access into the Toroparu Project pit area and tailings facilities. Several GPS surveys have been performed by ETK personnel to locate drill collar points in order to locate geological features, sample points, trenches, bench faces, buildings, pit dimensions, tailings, impoundments, old workings, roads and other pertinent features surrounding the main operations around the Toroparu Project pit. The known mineral zones and mine workings, tailing ponds, ore storage, waste storage and historic alluvial workings are contained on the main Toroparu Project pit area and on other areas.

Permits Required to Conduct Exploration Work

ETK has all necessary permits and permissions currently required to conduct its exploration work and seasonal mining and gravity recovery of gold and other minerals on the Toroparu Project.

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Exploration and Development, Toroparu Project

Exploration and development activities during the three months ended September 30, 2014 consisted of compilation and interpretation of the data of the saprolite geochemistry program carried out in the previous quarters of 2014. Further, the Company continued the silver resource program to determine silver contents.

The interpretation of the geochemistry data lead to the identification of target areas for follow-up exploration by detailed geochemistry sampling. These additional sampling programs will be executed in the first six months of 2015, provided the Company has obtained financing for the program.

The drill core sample selection and collection program for the calculation and modeling of the silver resource within the Toroparu Project continued until the end of July. In total 13,770 composite samples were sent for silver analysis by the Vancouver lab of Bureau Veritas Commodities Canada. The modeling of the Silver Resource was carried out by SRK Denver.

2014 Budget

Management has outlined a 2014 budget of approximately \$13.7 million further described below:

Project/Property Name	Amount Budgeted for 2014 ⁽⁵⁾ \$	Expenditures to September 30, 2014 \$	Revised Budget for 2014 ⁽⁵⁾ \$	Remaining Budgeted Expenditures \$
Field Activities ⁽¹⁾	900,000	2,037,045	2,100,000	62,955
Feasibility Study ⁽²⁾	6,500,000	5,823,011	6,500,000	676,989
Off-Site Infrastructure ⁽³⁾	125,000	453,767	500,000	46,233
Consulting ⁽⁴⁾	500,000	156,763	200,000	43,237
Property Permits	550,000	457,167	550,000	92,833
General and Administrative	3,875,000	3,347,884	3,875,000	527,116
Totals:	12,450,000	12,275,637	13,725,000	1,449,363

⁽¹⁾ Costs incurred to support the feasibility study on the ground at the Toroparu Project. Due to delays and scope increases in the required field work this has been revised.

⁽²⁾ Feasibility engineering work as contracted with third parties.

⁽³⁾ Maintenance of the access road to the Toroparu Project as well as investigation of potential hydro power. The Company has dedicated more funds to the investigation of the hydro power than was originally budgeted.

⁽⁴⁾ Continued financial advisory services to locate capital required to meet the budgeted expenditures for the feasibility study and take the Toroparu Project up to the construction phase. Was lowered for projection in Q3 and Q4 as the Company has streamlined its efforts.

⁽⁵⁾ Discretionary, subject to change if management decides to scale back or accelerate operations. At present the Company does not have sufficient funds to meet these expenditures; however, a program is in place to locate needed capital.

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Technical Disclosure

Mr. Lucas Werner Claessens and Mr. Pascal van Osta, employees of the Company, are Qualified Persons as defined under NI 43-101. Mr. Claessens and Mr. van Osta have reviewed and approved all technical and scientific information contained in this MD&A.

Certain information set out herein is based on the pre-feasibility study ("PFS") Report which was prepared by Frank Daviess, MAusIMM, Registered Member SME (Resource Estimation - SRK Consulting (US) Inc.); Fernando P. Rodrigues, MMSA, #1405QP (Mining/Reserves Estimation - SRK Consulting (US) Inc.); Peter I. Clarke, P.Eng., #13473 - British Columbia (Mining/Economics - SRK Consulting (US) Inc.); D. Erik Spiller, MMSA, #01021QP (Metallurgical Process Design—Tetra Tech); Thomas A. Chapel, CPG, PE, # 33848 - Colorado (On-site Infrastructure—Tetra Tech); Daniel Lloyd Evans, CFM, P.E., #32081 – Colorado (Water Management – Tetra Tech); each of whom is independent of the Company.

Summary of Quarterly Results

The selected quarterly financial information prepared in accordance with IFRS for the past eight financial quarters is outlined below.

Three Months Ended	Net Loss \$	Basic and Diluted Loss Per Share \$
Sept 30 2014	(3,747,424) ⁽¹⁾	(0.03)
Jun 30 2014	(5,212,984) ⁽²⁾	(0.04)
Mar 31 2014	(4,757,594) ⁽³⁾	(0.04)
Dec 31 2013	(3,944,453) ⁽⁴⁾	(0.03)
Sept 30 2013	(2,111,305) ⁽⁵⁾	(0.02)
Jun 30 2013	(2,826,281) ⁽⁶⁾	(0.02)
Mar 31 2013	(3,712,701) ⁽⁷⁾	(0.03)
Dec 31 2012	(6,280,395) ⁽⁸⁾	(0.05)

- (1) Net loss of \$3,747,424 principally related to exploration expenditures in Guyana of \$3,106,475 (excluding share based payments of \$8,510 and amortization of \$168,062). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$1,852.
- (2) Net loss of \$5,212,984 principally related to exploration expenditures in Guyana of \$4,081,545 (excluding share based payments of \$12,765 and amortization of \$167,104). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$1,852
- (3) Net loss of \$4,757,594 principally related to exploration expenditures in Guyana of \$4,112,160 (excluding share based payments of \$17,123 and amortization of \$165,266). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$2,316

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- (4) Net loss of \$3,944,453 principally related to exploration expenditures in Guyana of \$1,636,430 (excluding share based payments of \$1,205 and amortization of \$181,931). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$2,952.
- (5) Net loss of \$2,111,305 principally related to exploration expenditures in Guyana of \$991,159 (excluding share based payments of \$64,335 and amortization of \$181,958). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$5,605.
- (6) Net loss of \$2,826,281 principally related to exploration expenditures in Guyana of \$1,399,206 (excluding share based payments of \$104,532 and amortization of \$177,570). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$14,452.
- (7) Net loss of \$3,712,701 principally related to exploration expenditures in Guyana of \$2,278,954 (excluding share based payments of \$88,416 and amortization of \$180,522). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$16,883.
- (8) Net loss of \$6,280,395 principally related to exploration expenditures in Guyana of \$5,166,070 (excluding share based payments of \$8,416 and amortization of \$173,297). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$31,407.
- (9) Net loss of \$4,090,818 principally related to exploration expenditures in Guyana of \$2,680,303 (excluding share based payments of \$98,831 and amortization of \$191,908). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$39,878.

Results of Operations

Nine months ended September 30, 2014, compared with nine months ended September 30, 2013

The Company's net loss totaled \$13,718,002 for the nine months ended September 30, 2014, with basic and diluted loss per share of \$0.10. This compares with a net loss of \$8,650,287 with basic and diluted loss per share of \$0.07 for the nine months ended September 30, 2013. The increase in net loss of \$5,067,715 was due to:

- Consulting fees for the nine months ended September 30, 2014 totaled \$7,117,222 as compared to \$1,735,247 for the nine months ended September 30, 2013. This increase is due to the feasibility study being launched in 2014.
- Operations expenditures increased \$957,717 during the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013. The increase in operations was a result of the field work and technical services associated with the feasibility study.

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- The Company did not grant stock options in the nine months ended September 30, 2014 as compared to 2,410,000 stock options granted in the nine months ended September 30, 2013. This resulted in a decrease to stock based compensation of \$647,536.
- Travel fees for the nine months ended September 30, 2014 totaled \$529,766 as compared to \$296,365 for the nine months ended September 30, 2013. The increase in these fees is a direct result of the Company hosting several third party engineers for the start of the feasibility study and travel to the mine by potential investors.
- A foreign exchange gain of \$396,544 was incurred during the nine months ended September 30, 2014 as the US dollar continued to appreciate against the Canadian dollar.
- All other expenses related to general working capital purposes.

Three months ended September 30, 2014, compared with three months ended September 30, 2013

The Company's net loss totaled \$3,747,424 for the three months ended September 30, 2014, with basic and diluted loss per share of \$0.03. This compares with a net loss of \$2,111,305 with basic and diluted loss per share of \$0.02 for the three months ended September 30, 2013. The increase in net loss of \$1,636,119 was due to:

- Consulting fees for the three months ended September 30, 2014 totaled \$2,619,588 as compared to \$115,176 for the three months ended September 30, 2013. This increase is due to the feasibility study being launched in 2014.
- Operations expenditures decreased \$69,363 during the three months ended September 30, 2014 as compared to the three months ended September 30, 2013. The decrease in operations was a result of the field work and technical services associated with the feasibility study being largely completed in the third quarter.
- Salaries and other benefits for the three months ended September 30, 2014 totaled \$864,101 as compared to \$1,034,943 for the three months ended September 30, 2013. The salary decrease is a result of continued layoffs as local operations decreased.
- The Company did not grant stock options in the three months ended September 30, 2014 or in the three months ended September 30, 2013. The decrease in stock based compensation is due to less stock options vesting during the three months ended September 30, 2014 compared to September 30, 2013.
- Travel fees for the three months ended September 30, 2014 totaled \$99,557 as compared to \$79,603 for the three months ended September 30, 2013. The increase in these fees is a direct result of the Company hosting several third party engineers for the feasibility study and travel to the mine by potential investors during the third quarter.
- A foreign exchange gain of \$28,136 was incurred during the three months ended September 30, 2014 as the US dollar continued to appreciate against the Canadian dollar.

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- All other expenses related to general working capital purposes.

Liquidity and Capital Resources

Historically the Company's main source of funding has been the issuance of equity securities for cash. However, there is no assurance that further equity capital, or other forms of finance, will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to the Company. See "Risk Factors" below.

As at September 30, 2014, the Company had a deficit of \$116,381,347 (December 31, 2013 - \$102,663,345), incurred losses in the nine months ended September 30, 2014 amounting to \$13,718,002 (nine months ended September 30, 2013 - \$8,650,287), and had negative cash flows from operating activities in the nine months ended September 30, 2014 of \$13,571,507 (nine months ended September 30, 2013 - \$9,327,367). At September 30, 2014, the remaining budgeted expenditures for completion of the feasibility study exceed the working capital of \$750,795, and as a result the Company requires additional financing to complete the feasibility study and fund associated corporate overhead costs.

The budgeted corporate activities of the Company account for approximately \$527,000 for the remainder of 2014, while the budgeted development cost for the Toroparu Project account for approximately \$922,000. However, the Toroparu Project is currently not in the production stage. As a result, the Company has no current sources of revenue and relies on the issuance of equity securities to generate the funds required to advance its projects. Management does not believe the Company has sufficient working capital to fund operations for the next 12 months. As a result the Company will need to raise additional financing to fund operations beyond 2014. There are no assurances that the Company will be successful in achieving this goal. This condition indicates the existence of a material uncertainty that casts significant doubt regarding the applicability of the going concern assumption. The unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2014 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.

The Company's liquidity and ability to access capital resources fluctuates based on the trends previously identified under the heading "Trends". Apart from these and the risk factors noted under the heading "Risk Factors" below, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's liquidity and capital resources.

The Company remains debt free and its credit and interest rate risk is limited to guaranteed investment certificates. Accounts payable and accrued liabilities are short-term and non-interest bearing. The Company's credit risk with financial instruments is minimal as excess cash is invested with major Canadian chartered banks in guaranteed investment certificates.

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Share Capital

The Company is authorized to issue an unlimited number of Common Shares. As of the date of this discussion, the Company had 142,685,681 Common Shares outstanding on a non-diluted basis. The Company has 10,327,075 Common Share Purchase Warrants exercisable to acquire one Common Share of the Company at a price of \$0.30 per share until October 7, 2017. The Company also has 11,724,100 options outstanding that are outlined in the following table. The remaining contractual life is calculated as of the date of this discussion.

Options:

Expiry Date	Options Outstanding	Exercise Price	Remaining Contractual Life (Yrs)	Options Exercisable
November 24, 2014	2,793,100	\$ 0.50	0.01	2,793,100
January 8, 2015	50,000	\$ 1.25	0.13	50,000
February 8, 2015	65,000	\$ 1.44	0.22	65,000
March 29, 2015	615,000	\$ 1.60	0.35	615,000
July 7, 2015	295,000	\$ 1.24	0.62	295,000
January 6, 2016	125,000	\$ 3.54	1.13	125,000
January 24, 2016	125,000	\$ 3.10	1.18	125,000
February 25, 2016	1,285,000	\$ 2.70	1.26	1,285,000
August 1, 2016	135,000	\$ 2.52	1.70	135,000
September 29, 2016	500,000	\$ 1.53	1.86	500,000
January 10, 2017	795,000	\$ 1.26	2.14	795,000
January 16, 2017	1,750,000	\$ 1.38	2.16	1,750,000
September 6, 2017	1,011,000	\$ 0.60	2.79	1,011,000
February 7, 2018	2,180,000	\$ 0.41	3.22	1,847,500
	11,724,100		1.61	11,391,600

As of the date of this discussion, the Company had 164,736,856 Common Shares outstanding assuming the exercise of all outstanding options and warrants.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company.

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Related Party Transactions

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

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

Related Parties AP		9/30/2014	12/31/2013
Travel expenses reimbursed to officers and directors of the Company,	\$	22,746	\$ 49,073
Administrative expenses reimbursed to officers and directors of the Company,		2,214	12,826
Legal and operational expenses reimbursable to Crescent Global Resources Ltd. ("Crescent"). Several members of the Board of Directors and certain members of management are common between Crescent and the Company		-	408,776
	\$	24,960	\$ 470,675

- (b) The Company had the following related party transactions during the nine months ended September 30, 2014.

Related Parties transactions		9/30/2014	9/30/2013
Travel expenses reimbursed to officers and directors of the Company,	\$	145,330	\$ 149,105
Administrative expenses reimbursed to officers and directors of the Company,		17,804	24,269
Administrative and occupancy expenses reimbursable to a company controlled by a director/V.P. of the Company, P. Greg Barnes		-	73,577
Crescent relieved the Company of an outstanding payable which has been recorded as a gain on forgiveness of debt in the condensed consolidated statement of operations and comprehensive loss. Several members of the Board of Directors and certain members of management are common between Crescent and the Company		(429,511)	-
	\$	(266,377)	\$ 246,951

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Change in 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, 2013.

Adoption of new or amended IFRS

On January 1, 2014, the Company adopted the following new accounting standards that were previously issued by the International Accounting Standards Board ("IASB"):

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. The adoption of the amendments did not have a material effect on our condensed consolidated interim financial statements for the current period or prior period presented.

IFRIC 21 Levies

In May 2013, the IASB issued IFRIC 21, Levies. This IFRIC is effective for annual periods commencing on or after January 1, 2014 and is to be applied retrospectively. The IFRIC provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executory contracts or other contractual arrangements. The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The adoption of this interpretation did not have a material effect on our condensed consolidated interim financial statements for the current period or prior period presented.

Future accounting changes

IFRS 9 Financial Instruments

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

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IFRS 15 Revenue

Revenue from contracts with customers ("IFRS 15") proposes to replace IAS 18 Revenue, IAS 11 Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue at either a point in time or over time. The model features a five-step analysis of transactions to determine when and how much revenue should be recognized. New estimates and 6 judgmental thresholds were introduced, which may affect the amount and/or timing of revenue recognized. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning on January 1, 2017. The Company does not expect the standard will have a material impact on the financial statements upon adoption.

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 \$2,701,103 (December 31, 2013 – \$14,460,919) to settle current liabilities of \$2,503,632 (December 31, 2013 – \$2,730,742). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity and is actively seeking additional financing to fund its short-term working capital requirements.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2014:

	Level 1	Level 2	Level 3	Total
Financial Instruments				
Cash	\$ 2,701,103	\$ -	\$ -	\$ 2,701,103

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Currency Risk

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

Management of Capital

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. At September 30, 2014, the Company is actively seeking additional financing to fund its short-term working capital requirements.

This capital management is achieved by the Board of Directors' review and acceptance of 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 nine months ended September 30, 2014.

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

Disclosure of Internal Controls

Management has established processes to provide sufficient knowledge to support representations that it has exercised reasonable diligence that (i) the unaudited condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated financial statements, and (ii) the unaudited condensed consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

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In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS as issued by the IASB.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

The operations of the Company are speculative due to the high-risk nature of its business. An investment in securities of the Company involves significant risks, which should be carefully considered by prospective investors before purchasing such securities. In addition to information set out elsewhere in this MD&A, investors should carefully consider the risk factors which have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Refer to the section entitled "Risk Factors" in the Company's annual information form for the fiscal year ended December 31, 2013, available on SEDAR at www.sedar.com.

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Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of Sandspring's properties to contain copper and gold deposits; the Company's ability to meet its working capital needs at the current level for the twelve-month period ending September 30, 2015; the plans, costs, timing and capital for future exploration and development of Sandspring's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for gold and copper and other mineral deposits; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Sandspring's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, gold and copper deposits, price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to its properties, the possibility that future exploration results will not be consistent with Sandspring's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mining industry, as well as those risk factors listed in the "Risk Factors" section below. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Such statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Sandspring's exploration and development activities; operating and exploration costs; the Company's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

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Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sandspring's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Additional Information

Additional information relating to the Company, including the Company's annual information form for the year ended December 31, 2013, is available on SEDAR at www.sedar.com.