Sandspring Resources Ltd.

Consolidated Financial Statements
Expressed in Canadian Dollars
Years Ended December 31, 2014 and 2013

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Sandspring Resources Ltd. were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 to the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management as well as with the independent auditors to review the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Rich Munson
Chief Executive Officer

/s/ Robert D.B. Suttie
Chief Financial Officer

Toronto, Canada
April 28, 2015

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Sandspring Resources Ltd.

We have audited the accompanying consolidated financial statements of Sandspring Resources Ltd., which comprise the consolidated statements of financial position as at December 31, 2014 and December 31, 2013, the statements of operations and comprehensive loss, shareholders' equity and cash flow for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sandspring Resources Ltd. as at December 31, 2014 and December 31, 2013, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that Sandspring Resources Ltd.'s future viability is dependent on its ability to raise financing to fund operating and investing activities. This condition, along with other matters as set forth in Note 1 in the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt about Sandspring Resources Ltd.'s ability to continue as a going concern.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants
April 28, 2015
Toronto, Canada

SANDSPRING RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)			*(Note 8)*
As at		**12/31/2014**	12/31/2013
ASSETS	**Notes**	**$**	$
Current			
Cash		**294,747**	14,460,919
Restricted cash	4	**145,967**	133,825
Prepaid expenses		**138,406**	119,960
		579,120	14,714,704
Equipment	7	**845,731**	1,629,674
Mineral properties under exploration	8	**25,061,071**	25,061,071
		26,485,922	41,405,449
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**1,015,939**	2,730,742
Non-current liabilities			
Deferred property obligation	8	**610,778**	466,644
Deferred management compensation	9	**255,024**	-
Deferred revenue	10	**14,358,600**	14,358,600
		15,224,402	14,825,244
SHAREHOLDERS' EQUITY			
Common Shares	11	**118,204,900**	117,099,645
Warrant Reserve	13	**946,993**	-
Contributed Surplus		**3,058,659**	2,208,490
Stock Option Reserve	12	**6,885,709**	7,671,317
Deficit		**(118,850,680)**	(103,129,989)
		10,245,581	23,849,463
		26,485,922	41,405,449

Going Concern - Note 1
Commitments - Note 18
Subsequent events - Note 19

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

On behalf of the Board of Directors:

"Signed"
Rich Munson, CEO/Director

"Signed"
P. Greg Barnes, Director

SANDSPRING RESOURCES LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

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

	Notes	For the year ended 12/31/2014 $	For the year ended 12/31/2013 $
Expenditures			
Administrative		**488,158**	490,716
Consulting		**7,637,197**	3,406,153
Depreciation	7	**804,067**	964,421
Foreign exchange gain		**(427,665)**	(88,357)
Operations		**2,581,566**	2,083,936
Other		**638**	45,836
Professional fees		**306,546**	450,941
Salaries and other employee benefits		**4,008,503**	4,339,919
Shareholder information		**179,615**	195,942
Stock based compensation		**64,561**	754,311
Transfer, listing and filing fees		**58,584**	56,760
Travel		**562,176**	400,698
		16,263,946	13,101,276
Other			
Interest income		**4,963**	39,892
Other income		**114,686**	-
Forgiveness of debt	16	**423,606**	-
		543,255	39,892
Net loss and comprehensive loss for the year		**(15,720,691)**	(13,061,384)
Loss per share	14		
Basic		**(0.12)**	(0.10)
Diluted		**(0.12)**	(0.10)
Weighted average number of shares outstanding			
Basic		**134,763,541**	132,358,606
Diluted		**134,763,541**	132,358,606

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

SANDSPRING RESOURCES LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)	Common Shares	Contributed Surplus	Warrant Reserve	Stock Option Reserve	*(Note 8)* Deficit	Total
	$	$	$	$	$	$
Balance, December 31, 2012	**117,099,645**	**2,062,859**	**-**	**7,062,637**	**(90,068,605)**	**36,156,536**
Stock based compensation	-	-	-	754,311	-	754,311
Stock options expired	-	145,631	-	(145,631)	-	-
Net loss for the year	-	-	-	-	(13,061,384)	(13,061,384)
Balance, December 31, 2013	**117,099,645**	**2,208,490**	**-**	**7,671,317**	**(103,129,989)**	**23,849,463**
Stock based compensation	-	-	-	64,561	-	64,561
Shares issued on private placement	1,118,423	-	-	-	-	1,118,423
Share issue cost from private placement	(13,168)	-	-	-	-	(13,168)
Warrant reserve	-	-	946,993	-	-	946,993
Stock options expired	-	850,169	-	(850,169)	-	-
Net loss for the year	-	-	-	-	(15,720,691)	(15,720,691)
Balance, December 31, 2014	**118,204,900**	**3,058,659**	**946,993**	**6,885,709**	**(118,850,680)**	**10,245,581**

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

SANDSPRING RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

(Expressed in Canadian Dollars)			*(Note 8)*
		For the year ended 12/31/2014	For the year ended 12/31/2013
Cash (used in) provided by:	**Notes**	**$**	$
Operating Activities			
Net loss for the year		**(15,720,691)**	(13,061,384)
Adjustments for:			
Depreciation		**804,067**	964,421
Stock-based compensation		**64,561**	754,311
Deferred property obligation	8	-	466,644
Accretion of deferred property obligation	8	**144,134**	-
Deferred management compensation	9	**255,024**	-
Change in non-cash working capital:			
Prepaid expenses		**(18,446)**	37,200
Accounts payable		**(1,714,803)**	(326,300)
Deferred revenue	10	**-**	14,358,600
		(16,186,154)	3,193,492
Investing Activities			
Restricted Cash		**(12,142)**	(11,475)
Purchase of equipment	7	**(20,124)**	-
		(32,266)	(11,475)
Financing Activities			
Proceeds from private placement, net of issuance costs	11	**2,052,248**	-
		2,052,248	-
Cash beginning of year		**14,460,919**	11,278,902
Change in cash		**(14,166,172)**	3,182,017
Cash end of year		**294,747**	14,460,919

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

1. Corporate Information and Going Concern

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

These 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 December 31, 2014, the Company had a working capital deficit of $436,819 and an accumulated deficit of $118,850,680, incurred losses in 2014 amounting to $15,720,691 and had negative cash flows from operating activities of $16,186,154. At December 31, 2014, the remaining budgeted expenditures for completion of the feasibility study exceed the Company's working capital and as a result the Company required additional financing to complete the feasibility study and fund associated corporate overhead costs. Subsequent to year end, the Company has negotiated additional financing, including amending its Gold Purchase Agreement with Silver Wheaton Corp. ("Silver Wheaton"), whereby Silver Wheaton has agreed to fund US$2 million during the year ending December 31, 2015. Management believes this additional funding in tandem with other financing initiatives will be sufficient to finance the remaining work to complete the feasibility study and corporate overhead costs in 2015, however, there is no certainty that the funding will be sufficient or budgeted expenditures will be achieved, in which case additional financing will be required. In addition, the Company will require further financing to continue operations beyond December 31, 2015.

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

These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These consolidated 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

The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accountings Standards Board (IASB). The consolidated financial statements are prepared on a going concern basis, under the historical cost convention, except for certain financial instruments that have been measured at fair value. The consolidated financial statements are presented in Canadian dollars, except when otherwise indicated. The Board of Directors approved the consolidated financial statements on April 28, 2015.

3. Significant Accounting Policies

Basis of Consolidation

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

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Translation of Foreign Currency

The Company's functional and presentation currency is the Canadian dollar. Functional currency is also determined for each of the Company's subsidiaries, and items included in the financial statements of the subsidiary are measured using that functional currency. The Canadian dollar is the functional currency of all the Company's subsidiaries.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities not denominated in the functional currency are translated at the period end rates of exchange. Foreign exchange gains and losses are recognized in the statement of operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Equipment

Equipment is measured at cost less accumulated depreciation and accumulated impairment. Depreciation is based on cost less residual value and is provided on a straight-line basis over the following expected useful lives of the assets:

Heavy Equipment – 5 years
Office Furniture and Equipment – 3 years
Camp Equipment – 5 years
Motor Vehicles – 5 years
Other Equipment – 5 years

The depreciation method, residual values, and useful lives of property plant and equipment are reviewed annually and any change in estimate is applied prospectively.

Exploration Expenses and Mineral Properties Under Exploration

Exploration expenditures include the costs of acquiring licenses, and costs associated with exploration and evaluation activities. Exploration expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets, which are recognized at the fair value at the acquisition date.

Once a project has been established as commercially viable and technically feasible, which management determines as when the project has a positive feasibility study, planned financing established and the Board of Directors has approved a decision to develop the project, and subject to an impairment analysis, related exploration and evaluation assets and development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

The carrying value of the Company's mineral properties under exploration is assessed, based on guidance in IFRS 6 – Exploration for and evaluation of mineral resources, for impairment when indicators of such impairment exist. If such an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs of disposal or value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Where that does not exist, fair value less costs of disposal is assessed using discounted cash flow techniques, less an amount for costs of disposal. In assessing value in use, the estimated future cash flows are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations.

Stock-based Compensation

The Company offers a stock option plan for its directors, officers, employees and consultants. Stock options granted are settled with shares of the Company. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The expense is determined based on the fair value of the award granted and recognized over the period in which services are received, which is usually the vesting period. Fair value of the awards is measured at the date of grant using the Black-Scholes option pricing model. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the statement of operations.

Financial Instruments

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

The Company has classified its financial instruments as follows:

Category	Financial Instrument
Fair value through profit or loss	Cash and restricted cash
Other financial liabilities	Accounts payable and accrued liabilities
Other financial liabilities	Deferred management compensation
Loans and receivables	Deferred property obligation

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

i) significant financial difficulty of the issuer or counterparty; or
ii) default or delinquency in interest or principal payments; or
iii) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

i) Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii) Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
iii) Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Measurement in subsequent periods depends on the classification of the financial instrument:

i) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of operations.

The Company's financial assets classified as FVTPL include cash and cash equivalents. The Company does not currently hold any derivative instruments.

ii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as FVTPL. Other financial liabilities are initially measured at fair value, net of transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable, accrued liabilities, deferred property obligation, and deferred management compensation are classified as other financial liabilities.

The effective interest method is a method of calculating the amortized cost of an instrument and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or to the net carrying amount on initial recognition.

Deferred revenue

Deferred revenue consists of payments received by the Company in consideration for future commitments to deliver payable gold at contracted prices. As deliveries are made, the Company will record a portion of the deferred revenue as sales, based on a proportionate share of deliveries made compared with the total estimated commitment.

Decommissioning Liabilities

The Company is required to recognize a liability when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As of December 31, 2014 and December 31, 2013, the Company has not incurred any such obligations.

Impairment of Long-Lived Assets

At each financial position reporting date the carrying amounts of the Company's assets, excluding mineral properties under exploration, are reviewed to determine whether there is an indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs of disposal or value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Where that does not exist, fair value less costs of disposal is assessed using discounted cash flow techniques, less an amount for costs of disposal. In assessing value in use, the estimated future cash flows are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations.

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares from the assumed exercised common share purchase warrants and options outstanding, if dilutive.

Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors including expectations of future events that are believed to be reasonable under the circumstances.
Critical Accounting Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

i) Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs of disposal. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the year ended December 31, 2014 (2013 – Nil).

ii) Useful life of equipment

Equipment is amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of depreciation recorded during the year and the carrying value of equipment. Total carrying value of equipment at December 31, 2014 was $845,731 (December 31, 2013 - $1,629,674).

iii) Stock based compensation

Management is required to make certain estimates when determining the fair value of stock option awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock based compensation in the statement of operations. For the year ended December 31, 2014 the Company recognized $64,561 in stock based compensation expense (2013 – $754,311).

Critical Accounting Judgments

In the preparation of these consolidated financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

i) Mineral properties under exploration

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, exploration costs will be reclassified to mineral properties under exploration and subject to different accounting treatment. As at December 31, 2014 and 2013 management had determined that no reclassification of exploration expenditures was required as no positive feasibility has been derived, no planned financing was in place and the Board of Directors had not approved the development of the project.

ii) Income Taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

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 this amendment did not have a material effect on the consolidated 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 the consolidated 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, 2015 but will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements based on the characteristics of its financial instruments up to the date of adoption.

IFRS 15 *Revenue*

Revenue from contracts with customers ("IFRS 15") 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. IFRS 15 is applicable for annual reporting beginning on or after January 1, 2017, at which time the Company intends to adopt the standard. The Company will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements up to the date of adoption.

4. Restricted Cash

Restricted cash consists of $145,967 (2013 - $133,825) held as security for performance bonds in favor of the Guyana Geology and Mines Commission ($133,992) and the Guyana Customs and Trade Administration ($11,975).

5. Capital Management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be total shareholders' equity (managed capital) which at December 31, 2014, totaled $10,245,581 (December 31, 2013 - $23,849,463).

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

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

6. Financial Instruments

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

Credit Risk

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

Liquidity Risk and Fair Value Hierarchy

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash primarily through its financing activities. The Company has cash and restricted cash of $440,714 (December 31, 2013 – $14,594,744) to settle current liabilities of $1,015,939 (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 (Note 1). The Company is actively seeking additional sources of liquidity.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2014:

	Level 1	Level 2	Level 3	Total
Financial Instruments				
Cash	$ 294,747	$ -	$ -	$ 294,747
Restricted cash	145,967	-	-	145,967
	$ 440,714	$ -	$ -	$ 440,714

Currency Risk

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

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

The following table summarizes, in Canadian dollar equivalents, the Company's major foreign currency exposures as of December 31, 2014 to the US dollar. The Company's exposure to the currency risk of Guyanese dollars is not material.

Cash	$	325,083
Accounts payable and accrued liabilities		(902,907)
Total	$	(577,824)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments as at December 31, 2014 with all other variables held constant. It shows how comprehensive loss would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

	Sensitivity Analysis, Change in USD		Increase (decrease) in net income
Decrease in Net Income	-1%	$	(5,778)
Increase in Net Income	1%	$	5,778

Fair Value

As at December 31, 2014, the carrying and fair value amounts of the Company's financial instruments were approximately equivalent due to their short term maturities.

(Expressed in Canadian Dollars)

7. 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
Disposals	-	-	-	-	(22,515)	(22,515)
As at December 31, 2013	$ 73,613	$ 2,892,138	$ 299,973	$ 149,605	$ 452,722	$ 3,868,051
Additions	1,248	-	8,435	-	10,441	20,124
Disposals	-	-	-	-	(151,215)	(151,215)
As at December 31, 2014	$ 74,861	$ 2,892,138	$ 308,408	$ 149,605	$ 311,948	$ 3,736,960

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Total
Accumulated Depreciation						
As at December 31, 2012	$ 31,916	$ 860,311	$ 89,345	$ 49,207	$ 265,692	$ 1,296,471
Charge for the year	19,307	686,838	69,800	37,999	150,477	964,421
Disposals					(22,515)	(22,515)
As at December 31, 2013	$ 51,223	$ 1,547,149	$ 159,145	$ 87,206	$ 393,654	$ 2,238,377
Charge for the year	14,976	633,295	70,906	33,069	51,821	804,067
Disposals					(151,215)	(151,215)
As at December 31, 2014	$ 66,199	$ 2,180,444	$ 230,051	$ 120,275	$ 294,260	$ 2,891,229

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Total
Net Book Value						
As at December 31, 2013	$ 22,390	$ 1,344,989	$ 140,828	$ 62,399	$ 59,068	$ 1,629,674
As at December 31, 2014	$ 8,662	$ 711,694	$ 78,357	$ 29,330	$ 17,688	$ 845,731

8. Mineral Properties Under Exploration

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

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

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

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

During the year ended December 31, 2014, management identified that completion of the amendment to the Upper Puruni Agreement signed on November 1, 2013 resulted in a legal obligation that should have been accrued for during the year ended December 31, 2013. The Company has therefore recasted comparative information as at December 31, 2013 to adjust for the immaterial impact of the $466,644 (being the discounted amount of the US$1,000,000 from the payment due date of June 30, 2018 to the date of the obligation on November 1, 2013) obligation payable to Mr. Alphonso. The impact of the recast on the Company's previously reported results was determined to be immaterial and therefore the operations expenditures has been increased from $1,626,288 to $2,083,936, foreign exchange gain decreased from $97,353 to $88,357, and the net loss and comprehensive loss has been increased from $12,594,740 to $13,061,384 in the statement of operations and comprehensive loss for the year ended December 31, 2013 and non-current liabilities has been increased from $14,358,600 to $14,825,244 in the statement of financial position as at December 31, 2013. There was no impact on the loss per share in the statement of operations and comprehensive loss for the year ended December 31, 2013 or cash provided by operating activities in the statement of cash flow for the year ended December 31, 2013.

(Expressed in Canadian Dollars)

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

Opening, January 1, 2013		**$nil**
Additions:		
Upper Puruni obligation	$	444,188
Accretion		13,460
Foreign exchange		8,996
Balance, December 31, 2013	**$**	**466,644**
Additions:		
Accretion	$	96,947
Foreign exchange		47,187
Balance, December 31, 2014	**$**	**610,778**

On April 22, 2014, Mr. Alphonso and the Company amended the Upper Puruni Agreement, such that the 2014 penalty of US$250,000 as due and payable will be paid on the due date of the penalty for the 2015 calendar year. In January 2015, the 2014 penalty payment was made. On April 24, 2015, the Upper Puruni Agreement was further amended, confirming the agreement of the parties that the 2015 penalty was deferred to two installments of US$150,000 on April 30, 2015 and a second payment of US$100,000 on June 30, 2015.

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

As at December 31, 2014, the carrying amount of the Company's interest in mineral properties is as follows:

	December 31, 2014		December 31, 2013	
Toroparu	$	25,061,071	$	25,061,071

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

(Expressed in Canadian Dollars)

The following table sets forth a breakdown of material components of the Company's exploration expenditures for the years ended December 31, 2014 and 2013.

	Year Ended 12/31/2014	12/31/2013
Upper Puruni Exploration Costs		
Camp Expenses	$ 1,489,849	$ 1,107,387
Consulting	93,195	57,807
Depreciation	667,176	721,981
Engineering Studies	7,433,498	1,461,750
Lab Fees	235,563	52,314
Office and Administrative Costs	297,462	273,996
Salaries and Benefits	2,066,334	2,835,958
Travel and Accommodation	343,042	201,039
Production Commitment Fees	359,502	729,621
Prospecting Licenses	390,036	303,013
Total Exploration Costs	$ 13,375,657	$ 7,744,866

9. Deferred Management Compensation

The Company has recognized $255,024 (2013 - $Nil) pertaining to management compensation and severance amounts owed in connection with a corporate restructuring occurring in the fourth quarter of 2014. In accordance with underlying agreements, all parties have agreed to defer payment of the balances owed, subject to certain liquidity conditions of the Company and at the discretion of the compensation committee, until December 31, 2017.

10. Deposit on Gold Purchase Agreement and Deferred Revenue

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

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

(Expressed in Canadian Dollars)

11. Share Capital

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

	Number of Common Shares		Amount
Balance, December 31, 2012	132,358,606	$	117,099,645
Balance, December 31, 2013	132,358,606	$	117,099,645
Issued on private placement (i)	10,327,075	$	2,052,248
Value Allocated to Warrants (ii)	-		(946,993)
Balance, December 31,2014	142,685,681	$	118,204,900

i) On October 7, 2014 the Company completed a non-brokered private placement offering of 10,327,075 Units at a price of $0.20 per Unit for gross proceeds of $2,065,415. Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of $0.30 per share, expiring after 3 years.

ii) The 10,327,075 warrants issued in conjunction with the private placement were issued with an exercise price of $0.30, expiring in three years and were ascribed a fair value of $946,993, using the Black-Scholes pricing model with the following assumptions: dividend yield 0%, expected volatility 80.67%, a risk free interest rate of 1.11%, and an expected life of 3 years. These warrants expire October 7, 2017.

The level of stock volatility is calculated with reference to the historic traded daily closing share price at the date of issue. Due to the Company's small sample of historic share price, the Company also references the volatility of the closing share price of a group of industry peers in its calculation of volatility.

12. Stock Options

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

(Expressed in Canadian Dollars)

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

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

	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 year	-	384,636	-
Granted (i, ii)	2,410,000	422,086	0.41
Forfeited	(187,500)	(52,411)	0.67
Expired	(118,750)	(145,631)	2.08
Balance, December 31, 2013	11,846,600	$ 7,671,317	$ 1.12
Value of options vested during the year	-	91,680	-
Forfeited	(126,250)	(27,119)	0.41
Expired	(2,820,600)	(850,169)	0.51
Balance, December 31, 2014	8,899,750	$ 6,885,709	$ 1.33

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 with the following weighted average assumptions: a 4.55 year expected term; 64.3% volatility based on the Company's historic stock volatility; risk-free rate of 1.48% per annum; and a dividend rate of nil. For the year ended December 31, 2014, $64,561 (December 31, 2013 – $258,838) was expensed to stock-based compensation prior to the effect of forfeitures of $Nil (December 31, 2013 -

(Expressed in Canadian Dollars)

$17,016). On February 7, 2013, 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 year ended December 31, 2014, $nil (December 31, 2013 - $161,100) was expensed to stock-based compensation. Also on February 7, 2013, the Company 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 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 year ended December 31, 2014, $Nil (December 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 year ended December 31, 2014 was $Nil (December 31, 2013 – $0.21).

The following are the stock options outstanding as at December 31, 2014:

Expiry Date	Options Outstanding		Exercise Price	Remaining Contractual Life (Yrs)	Options Exercisable
January 8, 2015 (Note 19(i))	50,000	$	1.25	0.02	50,000
February 8, 2015 (Note 19(i))	65,000	$	1.44	0.11	65,000
March 29, 2015 (Note 19(i))	615,000	$	1.60	0.24	615,000
July 7, 2015	295,000	$	1.24	0.52	295,000
January 6, 2016	125,000	$	3.54	1.02	125,000
January 24, 2016	125,000	$	3.10	1.07	125,000
February 25, 2016	1,285,000	$	2.70	1.15	1,285,000
August 1, 2016	135,000	$	2.52	1.59	135,000
September 29, 2016	500,000	$	1.53	1.75	500,000
January 10, 2017	795,000	$	1.26	2.03	795,000
January 16, 2017	1,750,000	$	1.38	2.05	1,750,000
September 6, 2017	1,011,000	$	0.60	2.68	1,011,000
February 7, 2018	2,148,750	$	0.41	3.11	1,847,500
	8,899,750			1.99	8,598,500

13. Warrants

As at December 31, 2014, the Company has a total of 10,327,075 warrants outstanding.

(Expressed in Canadian Dollars)

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

	Number of Warrants	Allocated Value	Average Value Per Warrant
Balance, December 31, 2012	-	$ -	$ -
Balance, December 31, 2013	-	$ -	$ -
Issued (Note 11(ii))	10,327,075	$ 946,993	$ 0.09
Balance, December 31, 2014	10,327,075	$ 946,993	$ 0.09

14. Loss per Share

The calculation of basic and diluted loss per share for the year ended December 31, 2014 was based on the loss attributable to common shareholders of $15,720,691 (December 31, 2013 - $13,061,384) and the weighted average number of common shares outstanding of 134,763,541 (December 31, 2013 – 132,358,606). Diluted loss per share did not include the effect of 8,899,750 (December 31, 2013 – 11,846,600) share purchase options and warrants as they are anti-dilutive.

15. Income Tax

Reconciliation between tax expense and the product of accounting loss multiplied by the Company's domestic tax rate is as follows:

	2014	2013
Net Income (loss) before tax	$ (15,720,691)	$ (13,061,384)
Statutory tax rate	26.50%	26.50%
Tax benefit at statutory tax rate	(4,165,983)	(3,461,267)
Differences in foreign and statutory income tax rates	(2,525,305)	(1,344,437)
Change in substantive enacted tax rates	-	-
Deductible temporary differences not tax benefited	3,653,213	3,114,421
Non-deductible expenses	3,038,075	1,691,283
Total tax expense	$ -	$ -

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off the current tax assets and current tax liabilities or deferred tax assets and liabilities and they relate to taxes levied by the same tax authority.

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The tax benefit of the following unused tax losses and deductible temporary differences have not been recognized in the financial statements due to the unpredictability of future earnings.

	December 31, 2014		
	Canada	Guyana	US
Tax loss carry-forwards	$ 13,033,934	$ 30,876,534	$ 12,644,248
Other temporary differences	(4,046,772)	1,242,591	-
Equipment	97,324	323,895	99,620
Share issue costs	613,710	-	-
Deductible temporary differences associated with investment in subsidiaries	35,467,163	-	-
	$ 45,165,359	$ 32,443,020	$ 12,743,868

	December 31, 2013		
	Canada	Guyana	US
Tax loss carry-forwards	$ 11,679,371	$ 24,203,806	$ 10,486,915
Other temporary differences	(1,651,740)	758,379	-
Equipment	96,737	281,845	96,882
Share issue costs	1,500,179	-	-
Deductible temporary differences associated with investment in subsidiaries	26,056,013	-	-
	$ 37,680,560	$ 25,244,030	$ 10,583,797

As at December 31, 2014, the Company has the unused non-capital losses that expire as follows:

Expiry Date	Amount	Amount	Amount
	Canada	Guyana	US
2027 to 2034	$ 13,033,934	$ -	$ 12,644,248
Indefinite	$ -	$ 30,876,534	$ -
	$ 13,033,934	$ 30,876,534	$ 12,644,248

(Expressed in Canadian Dollars)

16. Related Party Transactions

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

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

	12/31/2014	12/31/2013
Travel expenses reimbursed to officers and directors of the Company,	$ 2,305	$ 49,073
Administrative expenses reimbursed to officers and directors of the Company,	211	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
	$ 2,516	$ 470,675

b) The Company had the following related party transactions during the year ended December 31, 2014 and 2013.

	12/31/2014	12/31/2013
Travel expenses reimbursed to officers and directors of the Company,	$ 197,772	$ 182,071
Administrative expenses reimbursed to officers and directors of the Company,	25,705	38,573
Administrative and occupancy expenses reimbursable to a company controlled by a director/V.P. of the Company, P. Greg Barnes	-	74,037
Salary and severance paid to the Investor Relations Manager, a family member of a board member	185,058	108,129
Crescent relieved the Company of an outstanding payable which has been recorded as a gain on forgiveness of debt in the 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.	(423,606)	-
	$ (15,071)	$ 402,810

(Expressed in Canadian Dollars)

c) Remuneration of directors and key management of the Company was as follows.

	12/31/2014	12/31/2013
Salaries and benefits for management	$ 1,632,761	$ 1,615,396
Directors fees	139,048	184,490
Share based payments	52,672	547,667
	$ 1,824,481	$ 2,347,553

During the year ended December 31, 2014, the Company expensed $2,500 (year ended December 31, 2013 - $nil) to Marrelli Support Services Inc. ("Marrelli Support") for Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO"). As of December 31, 2014, Marrelli Support was owed $nil (December 31, 2013 - $nil).

The Company's Directors and CEO elected to waive fees and salary in 2014 of $50,019 (2013 – $nil) and $46,271 (2013 – $nil) respectively.

17. 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, 2013

	Canada	United States	British Virgin Islands	Guyana	Total
Current assets	$ 9,076	$ 8,552,347	$ 5,801,943	$ 351,338	$ 14,714,704
Non-current assets	587	23,599	-	26,666,559	26,690,745
	$ 9,663	$ 8,575,946	$ 5,801,943	$ 27,017,897	$ 41,405,449

December 31, 2014

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

18. Commitments

The Company has executed a mineral agreement with the Government of Guyana that stipulates a royalty of 8% on gold (1.5% on copper) produced from its mineral claims payable in cash or in kind to the

Government of Guyana. Mineral claims are also subject to annual rentals. The rental rates for each of the MPs are the sum of US$1.00 per acre per annum. Rental rates for PLs are US$0.50 per acre for the year; US$0.60 per acre for the second year; and US$1.00 per acre for the third year. An application fee of US$100 and a work performance bond equal to 10% of the approved budget is also required. Rentals on the claims controlled by ETK are payable annually by the expiry date of each claim.

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

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

19. Subsequent Events

i) Subsequent to December 31, 2014, 730,000 stock options with exercise prices ranging from $1.25 through $1.60 expired unexercised.

ii) **Guyana Ventures Arrangement**

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

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

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

John Adams, the Chairman of the Company, owns 25% of the voting securities of Guyana Ventures, and Gerald Grandey, an independent director of the Company, owns 50% of the voting securities of Guyana Ventures.

iii) **Silver Wheaton Financing**

On April 24, 2015, the Company amended its precious metals purchase agreement (the “Gold Purchase Agreement”) with Silver Wheaton to include a silver stream under which Silver Wheaton will pay Sandspring incremental up-front cash payments totaling US$5.0 million for 50% of the payable silver production from the Company’s Toroparu Project. In addition, Silver Wheaton will make ongoing payments to Sandspring of the lesser of the market price and $3.90 per payable ounce of silver delivered to Silver Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting on the fourth anniversary of production. Sandspring is entitled to receive US$2.0 million of the incremental US$5.0 million cash payment in four equal installments over the course of 2015, subject to the satisfaction of certain conditions.