New Issue September 23, 2009

PRELIMINARY PROSPECTUS
SANDSPRING RESOURCES LTD.

17,143,000 Common Shares and 8,571,500 Common Share Purchase Warrants issuable on exercise or conversion of Outstanding Subscription Receipts

$6,000,050

This prospectus is being filed by Sandspring Resources Ltd. ("**Sandspring**" or the "**Corporation**") to qualify the distribution of 17,143,000 common shares (the "**Shares**") in the capital of the Corporation and 8,571,500 common share purchase warrants (the "**Warrants**") of the Corporation issuable upon the exercise of 17,143,000 issued and outstanding subscription receipts (the "**Subscription Receipts**") of the Corporation. The Subscription Receipts were issued on August 14, 2009 and August 27, 2009 pursuant to the Subscription Receipt Agreement (as defined herein) at a price of $0.35 per Subscription Receipt (the "**Offering Price**") and offered to purchasers in provinces of British Columbia, Alberta, Saskatchewan and Ontario on a private placement basis pursuant to prospectus exemptions under applicable securities legislation (the "**Private Placement**") through Research Capital Corporation and Richardson Partners Financial Limited (collectively, the "**Underwriters**"). This prospectus also qualifies 1,714,300 compensation options (the "**Compensation Options**") of the Corporation issuable upon the exercise of 1,714,300 issued and outstanding compensation option receipts (the "**Compensation Option Receipts**") of the Corporation issued to the Underwriters in connection with the Private Placement. Collectively, the Shares, the Warrants, the Compensation Options and the Additional Securities (as defined herein) are referred to herein as the "**Qualified Securities**". **The Subscription Receipts are not available for purchase pursuant to this prospectus and no additional funds are to be received by the Corporation from the distribution of the Qualified Securities other than the exercise price payable upon exercise of the Warrants, the Compensation Options and the Compensation Warrants (as defined herein).** The Offering Price was determined by negotiation between the Corporation and the Underwriters. See "Plan of Distribution".

The outstanding common shares (the "**Common Shares**" or the "**Sandspring Shares**") of the Corporation are listed and posted for trading on the TSX Venture Exchange (the "**Exchange**" or the "**TSXV**") under the symbol SSP.P. Immediately upon listing on August 24, 2007, the Common Shares were halted from trading on the Exchange pending the announcement of the Qualifying Transaction (as defined herein). The Exchange has approved the Private Placement including the listing of the Shares, the Warrant Shares (as defined herein), the Compensation Shares (as defined herein) and the Compensation Warrant Shares (as defined herein). **There is no market through which the Subscription Receipts may be sold and purchasers may not be able to resell the Subscription Receipts acquired pursuant to the Private Placement. See "Risk Factors".**

	Price to Public	Underwriters' Commission(1)	Net Proceeds to the Corporation (1)(2)
Per Subscription Receipt	$0.35	$0.028	$0.322
Total	$6,000,050(3)	$480,004	$5,520,046

Notes:

(1) In connection with the Private Placement, the Corporation paid the Underwriters a cash commission equal to 8% of the gross proceeds of the Private Placement. The Corporation also paid certain expenses of the Underwriters in the amount of $237,075 upon completion of the Private Placement and it is anticipated that the balance of the Underwriters' expenses in the amount of $55,000 will be paid upon satisfaction of the Escrow Release Conditions (as defined herein). See "Plan of Distribution".

(2) Excluding interest on the Escrowed Funds (as defined herein) and before deducting expenses of the Private Placement and Closing estimated at $715,000 including the preparation and filing of this prospectus.

(3) Including proceeds in the amount of $1,000,020 from the Over-allotment Option (as defined herein) that was fully exercised by the Underwriters.

The gross proceeds from the sale of the Subscription Receipts pursuant to the Private Placement (less the Underwriters' Commission (as defined herein) and certain expenses) in the amount of $5,282,971 (the "**Escrowed Funds**") were deposited in escrow and held by Computershare Trust Company of Canada, as subscription receipt trustee (the "**Subscription Receipt Trustee**"), and invested in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments) pending completion of the Acquisition (as defined herein) and satisfaction or waiver of escrow release conditions pursuant to the terms of a subscription receipt agreement (the "**Subscription Receipt Agreement**") dated August 14, 2009 among the Corporation, Research Capital Corporation, on behalf of the Underwriters, and the Subscription Receipt Trustee. The Escrowed Funds will be released from escrow upon satisfaction of the Escrow Release Conditions and the remainder of the Underwriters' expenses will be paid and the balance of the Escrowed Funds together with interest earned thereon was paid to the Corporation. See "Plan of Distribution". The Corporation will use the Escrowed Funds to conduct the recommended work program upon the completion of the Qualifying Transaction, partial payment of Revolving Debt (as defined herein), general, administrative and other costs and for general working capital purposes. See "Use of Proceeds".

The Subscription Receipts were sold through the Underwriters pursuant to exemptions from the prospectus requirements of the relevant Canadian jurisdiction and were issued and are governed by the Subscription Receipt Agreement.

The Corporation has agreed to use its best efforts to file a final prospectus qualifying the issuance and distribution of the Qualified Securities issuable upon exercise of the Subscription Receipts in British Columbia, Alberta, Saskatchewan and Ontario (being the provinces of Canada where the subscribers for the Subscription Receipts reside) (the "**Offering Jurisdictions**") and obtain a receipt from the applicable principal regulator which confirms that a receipt has been issued by each of the securities regulatory authorities in each of the Offering Jurisdictions for such final prospectus pursuant to National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* and Multilateral Instrument 11-102 *Passport System* (the "**Final Receipt**") by no later than October 13, 2009 (the "**Qualification Deadline**").

In the event that the Final Receipt is not obtained on or before the Qualification Deadline, each Subscription Receipt shall thereafter be exercised or converted for no additional consideration, into 1.1 Share and .55 Warrant (in lieu of one Share and one half Warrant) and the additional 10% of the Shares and Warrants are hereinafter referred to as the "**Additional Securities**". This prospectus qualifies the distribution of any Additional Securities issuable upon exercise of the Subscription Receipts. See "Plan of Distribution".

The Subscription Receipts will be deemed to be exercised into Shares and Warrants on the satisfaction of the escrow release conditions ("**Escrow Release Conditions**") including (i) the Corporation having received all necessary regulatory approval from the Exchange for the listing of the Shares, Warrant Shares, Compensation Shares and the Compensation Warrant Shares; (ii) satisfaction of all conditions pursuant to the Acquisition Agreement and the completion of the Qualifying Transaction; and (iii) the issuance of a final passport decision document in respect of a final prospectus to be filed by the Corporation qualifying the distribution of the Qualified Securities underlying the Subscription Receipts, which evidence a receipt on behalf of each of the securities regulatory authorities in the Offering Jurisdictions on or before December 12, 2009. The Subscription Receipts and the conditions necessary for them to be converted into the Qualified Securities are described in more detail under the heading "Plan of Distribution" in this prospectus.

Certificates representing the Shares and Warrants issuable upon exercise of the Subscription Receipts will be available for delivery upon the exercise or deemed exercise of the Subscription Receipts. Certain legal matters in respect of the Private Placement have been passed upon for the Corporation by Borden Ladner Gervais LLP and for the Underwriters by Gowlings Lafleur Henderson LLP.

An investment in Qualified Securities of the Corporation is highly speculative due to various factors including the nature of the business of GoldHeart Investment Holdings Ltd. ("GoldHeart"). An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

Sandspring was incorporated under the laws of the Province of Alberta on September 20, 2006. The registered office of Sandspring is Suite 1000, 400 – 3rd Ave SW, Calgary, Alberta, T2P 4H2.

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FORWARD-LOOKING STATEMENTS & FORWARD-LOOKING INFORMATION

This prospectus contains certain forward-looking statements and forward-looking information which are based upon the current internal expectations, estimates, projections, assumptions and beliefs of Sandspring and/or GoldHeart as of the date of such statements or information, including, among other things, assumptions with respect to production, future capital expenditures and cash flows. The reader is cautioned that the assumptions used in the preparation of such information may be incorrect. In some cases, words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur, are intended to identify forward-looking statements and forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information. In addition, this prospectus may contain forward-looking statements and information attributed to third-party industry sources. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this prospectus speak only as of the date of this prospectus.

The forward-looking statements and the forward-looking information contained in this prospectus are expressly qualified by the cautionary statements provided for herein. None of Sandspring, GoldHeart or the Underwriters are under any duty to update any of the forward-looking statements or information after the date of this prospectus to conform such statements or information to actual results or to changes in the expectations of Sandspring and/or GoldHeart except as otherwise required by applicable securities laws.

Forward-looking statements and information contained in this prospectus include, but is not limited to, statements with respect to the completion of the Acquisition, anticipated compensation of the Corporation upon completion of the Acquisition, the future price of gold and copper and the effects thereof, the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates and the economic viability thereof, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, title disputes or claims, the availability of qualified labour, acquisition plans and strategies, the payment of dividends in the future, and the Corporation's use of the proceeds of the Private Placement. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Although Sandspring and GoldHeart believe that the expectations reflected in the forward-looking statements and information are reasonable, there can be no assurance that such expectations will prove to be correct. None of Sandspring, GoldHeart or the Underwriter can guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by Sandspring, GoldHeart or the Underwriters that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. Forward-looking statement and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include, among others, the risk that actual results of exploration activities will be different than anticipated, that cost of labour, equipment or materials increase more than expected, that the future price of gold and copper will decline, that mineral reserves or mineral resources are not as estimated, that actual costs or actual results of reclamation activities are greater than expected; that changes in project parameters as plans continue to be refined may result in increased costs, of lower rates of production than expected, of unexpected variations in ore reserves, grade or recovery rates, of failure of plant, equipment or processes to operate as anticipated, of accidents, labour disputes and other risks generally associated with mining, unanticipated delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in this prospectus, in Although Sandspring and GoldHeart have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

These factors should not be considered exhaustive. See "Risk Factors" in this prospectus. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described can be profitably produced in the future. With respect to forward-looking statements and information contained in this prospectus, Sandspring and/or GoldHeart have made assumptions including: the current price of and demand for gold and copper will be sustained or will improve, the supply of gold and copper will remain stable, that current exploration programs and objectives can be achieved, that general business and economic conditions will not change in a material adverse manner, the impact of increasing competition; availability of skilled labour and equipment; current technology; cash flow; production rates; effects of regulation and tax laws of governmental agencies; future operating costs and the Corporation's ability to obtain financing on acceptable terms. Readers are cautioned that the foregoing list of factors is not exhaustive.

The above summary of assumptions and risks related to forward-looking information has been provided in this prospectus in order to provide readers with a more complete perspective on the future operations of the Corporation and/or GoldHeart. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements and information contained in this prospectus are expressly qualified by this cautionary statement.

INFORMATION PERTAINING TO GOLDHEART

The information contained or referred to in this prospectus with respect to GoldHeart and its related business has been provided by management of GoldHeart and is the responsibility of GoldHeart. Management and the directors of Sandspring have relied upon GoldHeart for the accuracy of the information provided by GoldHeart without independent verification.

FOREIGN JURISDICTIONS

GoldHeart is incorporated under the laws of the British Virgin Islands and all of the directors and officers of GoldHeart are resident in the United States of America. All of the assets of GoldHeart are situated outside of Canada. Although GoldHeart and the foregoing persons will appoint, prior to the filing of the final prospectus of Sandspring, Borden Ladner Gervais LLP, 1000 Canterra Tower, 400 3rd Avenue S.W., Calgary, Alberta, T2P 4H2, as their agent for service of process in Canada, it may not be possible to bring an action in Canada against the directors or officers of GoldHeart who are not residents of Canada. It may also not be possible for an investor to enforce judgments granted by a court in Canada against the assets of GoldHeart or against the directors or officers of GoldHeart residing outside of Canada.

CURRENCY EXCHANGE RATES

Except as otherwise specifically indicated, all dollar amounts indicated in this prospectus are expressed in Canadian dollars. The table below sets forth, for the Canadian dollar ("**$**") and the United States dollar ("**USD$**"): (i) the rate of exchange in effect at the end of the periods indicated; (ii) the average of exchange rates in effect on the last day of each month during such periods; and (iii) the high and low exchange rates during such periods, each based on the noon rate of exchange as reported by the Bank of Canada for conversion of $ into USD$ (the "**USD$ Noon Buying Rate**").

	Six Months ended	**Year ended December 31,**		
	June 30, 2009	**2008**	**2007**	**2006**
Rate at end of period	0.86505	0.8166	1.0120	0.8581
Average rate during period	0.82947	0.9381	0.9304	0.8817
High	0.9269	1.0289	1.0905	0.9099
Low	0.7653	0.7711	0.8437	0.8528

On September 22, 2009, the USD$ Noon Buying Rate was $.9361.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Unless otherwise defined in this prospectus, all capitalized terms shall have the meaning ascribed thereto under the heading "Glossary of Terms" and "Glossary of Select Geographical, Technical and Mineral Terms".

Issuer and Principal Business of the Issuer	The Corporation was incorporated under the ABCA on September 20, 2006, and has its registered office located at Suite 1000, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2. On May 15, 2007, the Corporation completed its initial public offering of 2,000,000 Sandspring Shares at $0.10 per Sandspring Share, for gross proceeds of $200,000. The Sandspring Shares began trading on the Exchange effective August 24, 2007, under the symbol "SSP.P" and were halted from trading immediately upon the commencement thereof, pending the announcement of a proposed Qualifying Transaction. See "General Development of the Business". The Corporation is a CPC under the policies of the Exchange. As a CPC, the principal business of the Corporation is limited to the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. The Exchange granted the Corporation an extension until February 24, 2010 to complete its Qualifying Transaction. It is anticipated that the Acquisition will constitute Sandspring's Qualifying Transaction. Upon completion of the Acquisition, the business of Sandspring will be the business of GoldHeart. See "Narrative Description of Target Business".
Principal Business of GoldHeart	GoldHeart, through it wholly-owned subsidiary ETK, holds certain mineral and prospecting interests and is the operator of small scale alluvial gold mining operations on the Upper Puruni Property and is the holder of the Toroparu Gold-Copper Prospect, located in the Republic of Guyana, South America. The Toroparu Gold-Copper Prospect hosts an NI 43-101 compliant resource consisting of (i) 1.4 million ounces of gold and 165 million pounds of copper in the Indicated Resource category, and (ii) 1.0 million ounces of gold and 106 million pounds of copper in the Inferred Resource category. See "General Development of the Business – The Target" and "General Development of the Business – Mineral Resources and Mineral Reserve Estimates".
Private Placement	Subscription Receipts for gross proceeds of $6,000,050 issued to purchasers in the provinces of British Columbia, Alberta, Saskatchewan and Ontario on August 14, 2009 and August 27, 2009. Each Subscription Receipt will be exercised or deemed to be exercised into one Share and one-half Warrant upon satisfaction or waiver of Escrow Release Conditions. Pending satisfaction of the Escrow Release Conditions, the gross proceeds of the Private Placement less the Underwriters' Commission and expenses have been deposited in escrow pursuant to the Subscription Receipt Agreement. Each Warrant will entitle the holder thereof to acquire one Warrant Share at a price of $0.50 until the Expiry Date. See "Plan of Distribution" and "Description of Securities Distributed".
Issue Price	$0.35 per Subscription Receipt
Size of Private Placement	$5,000,030 (14,285,800 Subscription Receipts) Over-allotment Option: $1,000,020 (2,857,200 Subscription Receipts)
Use of Proceeds	The net proceeds expected to be received by the Corporation from the Private Placement after satisfaction of the Escrow Release Conditions, before deducting the Underwriters' expenses and other expenses of the Private Placement, are estimated to be $5,520,046. The proceeds of the Private Placement will be used, upon completion of the Acquisition, to finance the Work Program, to pay USD$250,000

to CGR as partial payment of the Revolving Debt as described herein, for general working capital purposes and to pay the costs associated with the Qualifying Transaction and the Private Placement. See “Use of Proceeds”.

Use of Proceeds	Estimated Portion of Net Proceeds of the Private Placement
Work Program	
1. Exploration and Drilling[1]	
Drill Program Recommended by Technical Report (Phase I & II)	$1,452,000 [2]
Additional Drilling, Exploration & Camp Costs	$1,170,283 [3]
2. Mining Claim Renewals	$282,946
Payment of Revolving Debt and Reasonable Closing Expenses of GoldHeart and ETK	$350,000[4]
Payment of Costs Relating to Private Placement and Closing	$715,000[5]
General and Administrative Costs (12 Months)	$1,287,125
Unallocated Working Capital	$262,692
Total	$5,520,046

Notes:
1. See “Narrative Description of the Target Business”.
2. USD$1,200,000 drilling costs & 10% contingency from Phase I and II Technical Report recommendation converted at an exchange rate of CAD$1.1 to USD$1.0.
3. Includes USD$1,063,894 ($1,170,283 at CAD$1.1/USD$1.0) for Exploration, ESIA Report, Permitting, and Camp Costs in Phase I Technical Report recommendation.
4. The payment of the Revolving Debt will be made in conjunction with the completion of the Acquisition. See “Summary of the Proposed Acquisition and Related Transaction”.
5. Does not include the Underwriters commission of $480,004.

The Corporation expects to spend the majority of the funds available to it upon completion of the Acquisition and Private Placement, to further explore and develop the Toroparu Gold-Copper Prospect. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Corporation to achieve its stated business objectives. See “Use of Proceeds”.

The Vendors

The Vendors are: (i) CGG, a private company existing under the laws of the British Virgin Islands, which holds 800 Target Shares (representing 80% of the issued and outstanding Target Shares); and (ii) Mercedario, a private company existing under the laws of the British Virgin Islands, which holds 200 Target Shares (representing 20% of the issued and outstanding Target Shares).

Summary of the Proposed Acquisition

The Corporation, the Vendors, the Target, the Lenders, CGR and ETK have entered into the Acquisition Agreement, whereby the Corporation will acquire 100% of the Target Shares, such that the assets and business of the Target will become the main assets of the Corporation upon completion of the Acquisition. Pursuant to the Acquisition Agreement, the Corporation will also assume and pay the 2008 Convertible Debt, the 2009 Convertible Debt and assume and pay up to a maximum of USD$1,200,000 of the Revolving Debt. In addition, GoldHeart and ETK will be reimbursed for their respective reasonable costs and expenses incurred in connection with the Acquisition, up to but not to exceed, USD$150,000. The Acquisition is intended to serve as the Corporation’s Qualifying Transaction. See “Summary of

	the Proposed Acquisition and Related Transactions". Upon completion of the Acquisition, the Corporation will be engaged in the business of exploring for precious and base metals on the Toroparu Gold-Copper Prospect, which is the Qualifying Property, and will also conduct exploration activities within the Upper Puruni Property and in respect of such other properties and interests as may be subsequently acquired by the Corporation. See "Narrative Description of the Target Business".
Conditions to Completion of Acquisition:	The closing of the Acquisition is subject to certain conditions, including: (i) conditional approval of the Exchange in respect of the Acquisition as the Corporation's Qualifying Transaction and satisfaction of all Exchange conditions of approval, including delivery of a satisfactory title opinion in respect of the Toroparu Gold-Copper Prospect; (ii) completion of the Private Placement; (iii) subject to the terms and conditions of the Acquisition Agreement, the assumption and payment, of up to USD$1,200,000 in respect of the Revolving Debt, by Sandspring, and the concurrent cancellation of all amounts exceeding USD$1,200,000 in respect of the Revolving Debt, by CGR; (iv) assumption and payment by Sandspring of the 2008 Convertible Debt and 2009 Convertible Debt; (v) satisfaction or waiver of the Sandspring Closing Conditions and the Vendor Closing Conditions; and (vi) receipt of all required approvals. See "Summary of the Proposed Acquisition and Related Transactions".
Risk Factors	***An investment in a natural resource issuer involves a significant degree of risk. Investors should review carefully the risk factors set forth in this prospectus under the heading ''Risk Factors''***. There are inherent risks in the business of the Corporation. The Acquisition must be considered highly speculative due to the nature of the Toroparu Gold-Copper Prospect and the Corporation's relatively formative stage of development. Shareholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation. There is no guarantee that the Corporation will be able to secure future financing to meet its future needs on reasonable terms or at all. The business of the Corporation will be subject to certain operational risks and hazards that are beyond its control, including, but not limited to, hazards and risks normally encountered in the exploration, development and production of base minerals, fluctuations in commodity prices, political risks, industry competition, government regulation, dependence on key personnel and current global financial conditions. For a more fulsome discussion of relevant risk factors, see "Risk Factors".
Conditional Approval:	The TSXV has conditionally approved the Private Placement and listing of the Shares, the Warrant Shares, the Compensation Shares and the Compensation Warrants subject to the Corporation completing the Qualifying Transaction. The Corporation has applied to the TSXV to approve the Acquisition as a Qualifying Transaction subject to the Corporation fulfilling all of the requirements of the TSXV.
Summary of Financial Information of GoldHeart	The following table sets forth selected financial information for GoldHeart/ETK for the years ended December 31, 2008, 2007 and 2006 and for the six month period ended June 30, 2009.

This summary financial information should only be read in conjunction with GoldHeart's financial statements, including the notes thereto, included elsewhere in this prospectus.

	Six Months Ended June 30, 2009 ($)	Year Ended December 31, 2008 ($)	Year Ended December 31, 2007 ($)	Year Ended December 31, 2006 ($)
Cash Flow from Operations	(268,750)	283,713	(50,791)	(190,842)
Net Loss	(594,775)	(436,326)	(62,127)	(39,572)
Per share – Basic	(595)	(436)	(621)	(396)
Per share – Diluted	(595)	(436)	(621)	(396)
Total Assets	20,140,731	21,306,932	14,749,610	10,189,509
Total Long-Term Financial Liabilities	1,376,204	1,262,640	15,911,165	11,310,947
Dividends	0	0	0	0

See "Selected Financial Information and Management's Discussion and Analysis of GoldHeart".

GLOSSARY OF TERMS

In this prospectus, the following words and phrases have the following meaning unless the context otherwise requires:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including all regulations promulgated thereunder;

"**Acquisition**" means the acquisition of 100% of the issued and outstanding Target Shares by the Corporation, pursuant to the terms and conditions of the Acquisition Agreement, such that the Target Business will become the main business of the Corporation and which shall constitute the Qualifying Transaction of the Corporation;

"**Acquisition Agreement**" means the agreement dated as of May 11, 2009, amended by an amendment agreement dated August 19, 2009, among the Corporation, the Vendors, the Target, the Lenders, CGR and ETK pursuant to which the Corporation shall acquire 100% of the Target Shares and shall assume and pay the 2008 Convertible Debt, the 2009 Convertible Debt and the Revolving Debt, on the terms and conditions set forth therein;

"**Acquisition Escrow Agreement**" means the escrow agreement to be entered into at the closing of the Acquisition, among Sandspring, Computershare as depositary and certain holders of securities that will, upon completion of the Acquisition, be subject to escrow;

"**Acquisition Shares**" means 1,000 Target Shares, representing 100% of the Target Shares issued and outstanding as of the date hereof;

"**Adams**" means Mr. John R. Adams, a U.S. citizen;

"**Affiliate**" shall have the meaning ascribed to such term in Exchange Policy 1.1 – *Interpretation*;

"**Alphonso**" means Mr. Alfro Alphonso, a Guyanese businessman, the holder of 50% of the outstanding shares of Mercedario;

"**Associate**" shall have the meaning ascribed to such term in Exchange Policy 1.1 – *Interpretation*;

"**CGG**" means Crescent Global Gold Ltd., a corporation incorporated under the laws of the British Virgin Islands;

"**CGR**" means Crescent Global Resources Ltd., a corporation incorporated under the laws of the British Virgin Islands;

"**Closing**" means the closing of the Acquisition;

"**Closing Date**" means the date of the Closing, anticipated to occur on ● , 2009 or such other date otherwise agreed to by the parties to the Acquisition Agreement;

"**Common Shares"** means common shares in the capital of the Corporation;

"**Compensation Shares**" means the Common Shares that a holder of Compensation Options is entitled to acquire upon the due exercise of Compensation Options;

"**Compensation Warrants**" means the Warrants that a holder of Compensation Options is entitled to acquire upon the due exercise of Compensation Options;

"**Compensation Warrant Shares**" means the Common Shares that a holder of Compensation Warrants is entitled to acquire upon the due exercise of Compensation Warrants;

"**Control Person**" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"**Corporation**" or "**Sandspring**" means Sandspring Resources Ltd., a CPC in accordance with the policies of the Exchange, incorporated pursuant to the ABCA;

"**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada;

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and

(c) in regard to which the completion of the Qualifying Transaction has not yet occurred;

"**CPC Escrow Agreement**" means the Form 2F CPC Escrow Agreement, dated April 27, 2007, among the Corporation, the Transfer Agent and certain shareholders of the Corporation;

"**CPC Escrowed Shares**" means the 2,000,000 Sandspring Shares held in escrow pursuant to the terms of the CPC Escrow Agreement;

"**CPC Policy**" means Exchange Policy 2.4 - *Capital Pool Companies*;

"**Daniels**" means Mr. Wallace (Edgar) Daniels, a Guyanese businessman;

"**Daniels Joint Venture**" means the joint venture business relationship between ETK and Daniels, evidenced by the Daniels Joint Venture Agreement, pursuant to which ETK obtained rights in respect of 19 PPMS located in the Upper Puruni Property;

"**Daniels Joint Venture Agreement**" means the mining joint venture agreement between ETK and Daniels, effective May 15, 2004, in respect of the Daniels Joint Venture;

"**Directors' and Officers' Options**" means the outstanding options to acquire up to 400,000 Sandspring Shares at an exercise price of $0.10 per Sandspring Share, which are exercisable until May 15, 2012 and which were granted to directors and officers of the Corporation pursuant to the Sandspring Stock Option Plan, in connection with and at the closing of the IPO;

"**Effective Date**" means the effective date of this prospectus being September 23, 2009;

"**Employment Agreements**" means the employment agreements to be entered into between the Corporation and the executive officers of the Corporation at Closing;

"**Escrow Deadline**" means December 12, 2009;

"**Escrow Transfer**" means the transfer of aggregate 611,240 Sandspring Shares held by the Founders, to Adams as to 400,000 Sandspring Shares and to Alphonso as to 211,240 Sandspring Shares;

"**ETK**" means ETK Inc., a corporation incorporated under the laws of Guyana, which is wholly-owned by the Target and which controls certain mineral interests in the Republic of Guyana, South America, including the Upper Puruni Property and the Toroparu Gold-Copper Prospect;

"**ETK Shares**" means common shares in the capital of ETK;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange;

"**Expiry Date**" means the expiry date of the Warrants which is on or before the date that is 36 months following the closing of the Qualifying Transaction;

“**Final Exchange Bulletin**” means the Exchange bulletin that is issued following closing of a Qualifying Transaction and the submission of all required documentation and that evidences final Exchange acceptance of a Qualifying Transaction;

“**Formation and Contribution Agreement**” means the formation and contribution agreement between GoldHeart, CGG, Mercedario, ETK and Alphonso, providing for the contribution and consolidation of interests in the Upper Puruni Property, effective December 15, 2008;

“**Founders**” means, collectively, Mark C. Maier, Charles G. Gryba and Joel D. Schneyer;

“**GGMC**” means the Guyana Geology and Mines Commission;

“**Godette Joint Venture**” means the joint venture business relationship between ETK and certain individuals, evidenced by the Godette Joint Venture Agreement, pursuant to which ETK obtained rights in respect of 3 MPs;

“**Godette Joint Venture Agreement**” means the mining joint venture agreement between ETK and Verna Glennifer Godette, Sylvia Amanda, Jacqueline Victoria, Ivor Vernon and Troy Alonzo, dated January 29, 2009 and effective April 1, 2008, in respect of the Godette Joint Venture;

“**GoldHeart**” or the “**Target**” means GoldHeart Investment Holdings Ltd., a corporation incorporated pursuant to the laws of the British Virgin Islands, which owns 100% of the issued and outstanding ETK Shares;

“**GoldHeart Net Monthly Profits**” means the net monthly net profit of GoldHeart, if any, to be paid to CGR in connection with ongoing alluvial mining operations in accordance with the provisions of the GoldHeart Net Profits Agreement;

“**GoldHeart Net Profits Agreement**” means the net profits agreement entered into between Sandspring and GoldHeart, dated September 15, 2009, pursuant to which the GoldHeart Net Monthly Profits will be calculated and which forms the basis for the Revolving Debt Interim Payments;

“**GoldHeart Shareholder Agreement**” means the shareholder agreement entered into in conjunction with the Formation and Contribution Agreement, among GoldHeart, ETK, CGG and Mercedario, dated effective December 15, 2008;

“**Guyana Resource Partners**” means Guyana Resource Partners LLP, a limited liability limited partnership formed pursuant to the laws of the State of Colorado, United States of America;

“**GYD$**” means Guyanese dollars, the lawful currency of the Republic of Guyana;

“**IPO**” means the initial public offering of Sandspring, by way of CPC prospectus, completed May 15, 2007;

“**IPO Agent**” means Integral Wealth Securities Limited;

“**IPO Agency Agreement**” means the agency agreement entered into in connection with the IPO, between the Corporation and the IPO Agent, dated April 27, 2007;

“**IPO Agent’s Options**” means the non-transferable agent’s options to acquire up to 200,000 Sandspring Shares, exercisable until August 24, 2009, at an exercise price of $0.10 per option, which options were granted to the IPO Agent in consideration for its services performed as agent in connection with the IPO;

“**Lenders**” means, collectively, the 2008 Lenders and the 2009 Lenders;

“**Lock-up Agreements**” means the agreements entered into by the directors and officers of Sandspring and other individuals/ entities that will hold Sandspring Shares upon completion of the Acquisition, whereby such holders have agreed to not trade the Sandspring Shares held by such holders, for a period of six (6) months from the closing of the Acquisition;

“**MD&A**” means management’s discussion and analysis;

“**Mercedario**” means Mercedario Limited, a corporation incorporated under the laws of the British Virgin Islands;

“**Minimum Listing Requirements**” has the meaning ascribed to such term in Exchange Policy 2.1 – *Minimum Listing Requirements*;

“**MP**” means a medium scale mining permit granted by the Government of Guyana, acting by and through the GGMC;

“**NI 43-101**” means National Instrument 43-101 – *Disclosure for Mineral Projects,* of the Canadian Securities Administrators;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators;

“**Non Arm’s Length Qualifying Transaction**” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction;

“**Non-Competition Agreements**” means the non-competition agreements to be entered into between the Corporation, the Target and each of the Vendors and Lenders, in connection with the closing of the Acquisition;

“**Over-allotment Option**” means the option granted pursuant to the Underwriting Agreement by Sandspring to the Underwriter, to increase the size of the Private Placement by up to an additional 2,857,200 Subscription Receipts and pursuant to which, all 2,857,200 additional Subscription Receipts were issued;

“**Private Placement**” means the brokered, underwritten private placement of the Corporation conducted through the Underwriter on a “bought-deal” basis, conducted by way of Subscription Receipts, through which the Underwriter purchased or obtained subscriptions from substituted purchasers, for the purchase of 14,285,800 Subscription Receipts (plus an additional 2,857,200 Subscription Receipts pursuant to the exercise of the Over-allotment Option), at a price of $0.35 per Subscription Receipt for aggregate gross proceeds of $6,000,050 (including $1,000,020 in gross proceeds raised in connection with the Over-allotment Option), which was completed at the Subscription Receipt Closing and which will result (subject to the satisfaction or waiver of certain closing conditions) in the exchange of Subscription Receipts for Units in conjunction with the closing of the Acquisition;

“**P&E**” means P&E Mining Consultants Inc., of Brampton, Ontario, Canada;

“**PGB**” means Phillip Gregory Barnes, a U.S. citizen;

“**PL**” means a prospecting license granted by the Government of Guyana, acting by and through the GGMC;

“**PPMS**” means a medium scale prospecting permit granted by the Government of Guyana, acting by and through the GGMC;

“**Preferred Shares**” means the preferred shares in the capital of the Corporation;

“**Prospectus Qualification**” means the qualification of the distribution of the Sandspring Shares and the Sandspring Warrants and the Additional Securities, if any, issuable upon exchange of the Subscription Receipts, to be evidenced by a receipt of the applicable securities commission for the final prospectus;

“**Purchase Shares**” means the 38,156,288 Sandspring Shares to be issued by the Corporation to the Vendors at a deemed value of $0.6552, in exchange for the Acquisition Shares, as contemplated by the Acquisition Agreement;

“**Qualifying Property**” means, generally, the property an issuer is relying upon to establish compliance with Minimum Listing Requirements and specifically, in the context of the Acquisition, means the Toroparu Gold-Copper Prospect;

“**Qualifying Transaction**” means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means;

“**Recapitalization and Contribution Agreement**” means the recapitalization and contribution agreement entered into between CGR and ETK, relating to the Revolving Debt, dated September 19, 2008;

“**Registrar and Transfer Agency Agreement**” means the registrar and transfer agency agreement entered into between the Corporation and the Transfer Agent, dated April 27, 2007;

“**Research Capital**” means Research Capital Corporation;

“**Revolving Debt**” means ETK’s indebtedness to CGR pursuant to the Revolving Loan Agreement and the Recapitalization and Contribution Agreement, in such amounts as may be outstanding from time-to-time, up to a maximum of USD$2,000,000, full payment of which is due on December 31, 2010 and in respect of which: (i) Sandspring, pursuant to the Acquisition Agreement, will assume and pay up to a maximum of USD$1,200,000 through a combination of cash and securities of Sandspring; and (ii) at Closing, CGR will cancel and forgive any amount owing that exceeds USD$1,200,000;

“**Revolving Debt Interim Payments**” means payments to be made to CGR in partial payment of the Revolving Debt, by way of monthly instalment amounts equal to the GoldHeart Net Monthly Profits;

“**Revolving Loan Agreement**” means the credit agreement between ETK and CGR, dated April 1, 1999, as amended and extended;

“**Richardson**” means Richardson Partners Financial Limited;

“**Sandspring**” or the “**Corporation**” means Sandspring Resources Ltd., a CPC in accordance with the policies of the Exchange, incorporated pursuant to the ABCA;

“**Sandspring Closing Conditions**” means the conditions to the completion of the Acquisition in favour of and for the benefit of Sandspring, which conditions must be satisfied by the Vendors the Target, ETK, the Lenders and CGR (as the case may be) or waived by Sandspring prior to the Closing, as set out in the Acquisition Agreement and which constitute customary conditions for a transaction such as the Acquisition, including conditions such as compliance with the terms and conditions of the Acquisition Agreement, the completion of the Private Placement, the completion of all necessary corporate acts required in connection with the Acquisition and the delivery of applicable opinions, releases, the Non-Competition Agreements, the Acquisition Shares and all other reasonably necessary documents and things required in connection with the closing of the Acquisition;

“**Sandspring Shares**” means common shares in the capital of the Corporation;

“**Sandspring Stock Option Plan**” means the stock option plan approved by the shareholders of the Corporation, on March 16, 2007;

“**Sandspring Units**” means the units of Sandspring to be issued at the closing of the Acquisition upon the deemed exercise or conversion of the Subscription Receipts issued in connection with the Private Placement, each Sandspring Unit being comprised of one (1) Sandspring Share and one half (1/2) of one (1) Sandspring Warrant;

“**Sandspring Warrants**” means the purchase warrants underlying the Sandspring Units, each whole Sandspring Warrant entitling the holder thereof, to purchase one (1) Sandspring Share at a purchase price of $0.50 per Sandspring Share, for a period of thirty-six (36) months following the Closing Date;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval, accessible through the internet at www.sedar.com;

“**Significant Assets**” means one or more assets or businesses that, when purchased, optioned or otherwise acquired by a CPC, together with any other concurrent transactions, would result in a CPC meeting the Minimum Listing Requirements;

"**Subscription Receipt Agreement**" means the agreement among the Corporation, the Underwriter and Computershare Trust Company of Canada dated August 14, 2009 as amended by an amending agreement dated September 16, 2009;

"**Subscription Receipt Closing**" means the closing by the Corporation on the Subscription Receipts distributed in the Private Placement;

"**Subscription Receipts**" means the subscription receipts to be issued by Sandspring at an issue price of $0.35 per Subscription Receipt, in connection with the Private Placement, each of which will be deemed to be exercised or converted into one (1) Sandspring Unit concurrent with the Closing;

"**Target**" or "**GoldHeart**" means GoldHeart Investment Holdings Ltd., a corporation incorporated pursuant to the laws of the British Virgin Islands, which owns 100% of the issued and outstanding ETK Shares;

"**Target Business**" means the business and operations of GoldHeart and of its wholly-owned subsidiary, ETK;

"**Target Shares**" means shares of common stock in the capital of the Target, which shares comprise the only class of shares of the Target authorized for issuance as of the date hereof;

"**Technical Report**" means the NI 43-101-compliant geological technical report and resource estimate prepared by P&E in respect of the Toroparu Gold-Copper Prospect, entitled "*Technical Report and Resource Estimate on the Toroparu Gold-Copper Prospect Upper Puruni River Area, Guyana*", effective as of October 26, 2008 and dated January 6, 2009;

"**Technical Report Author**" means, collectively, Dr. Wayne Ewert, P.Geo., Mr. Eugene Puritch, P.Eng., Ms. Tracy Armstrong, P.Geo. and Mr. Antoine Yassa, P.Geo.;

"**Toroparu Gold-Copper Prospect**" means the Toroparu Gold-Copper Prospect, Upper Puruni River Area, Guyana, described in this prospectus in "Narrative Description of the Target Business", located within the boundaries of MP A-4/MP/011, which is situated to the northwest of the confluence of the Puruni and Wynamu Rivers in the north-central portion of the Upper Puruni Property and which is specifically indentified in Figure 3-2 of this prospectus as the "Main Pit";

"**Toroparu Pit**" means the 250 meter long x 200 meter wide by 30 meter deep open pit developed within the boundaries of the Toroparu Gold-Copper Prospect by historical mining operations and mining operations conducted by ETK over the years 2003 to 2006 and which is at the centre of ETK's exploration area known as the Toroparu Gold-Copper Prospect, as depicted in Figure 3-3 of this prospectus;

"**Transfer Agent**" means Computershare Trust Company of Canada, the transfer agent and registrar of the Corporation;

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" or "**Exchange**" means the TSX Venture Exchange Inc.;

"**Underwriter**" means Research Capital, the lead underwriter for the Private Placement and Richardson;

"**Underwriting Agreement**" means the underwriting agreement dated August 14, 2009 entered into between the Corporation and the Underwriter in connection with the Private Placement;

"**Underwriter's Commission**" means the cash commission equal to 8% of the aggregate gross proceeds raised in the Private Placement, payable to the Underwriter at the closing of the Private Placement, as partial consideration for services provided as underwriter in connection therewith;

"**Underwriter's Compensation Options**" means the non-transferable underwriter's options to acquire 1,714,300 Sandspring Units (including 285,720 Sandspring Units as a result of full exercise of the Over-allotment Option) for a period of twenty-four (24) months from the Closing Date, at a price of $0.35 per Sandspring Unit, each Sandspring

Unit being comprised of one (1) Sandspring Share and one half (1/2) of one (1) Sandspring Warrant, granted to the Underwriter at the Subscription Receipt Closing, as partial consideration for its services provided as underwriter in connection therewith;

"**Unit**" means one unit of Sandspring, comprised of one Unit Share and one half of one Warrant;

"**Unit Share**" means one Common Share issued as part of a Unit;

"**Upper Puruni AMI**" means the area of mutual interest created pursuant to section 7(h) of the Upper Puruni Joint Venture Agreement, as specifically outlined in Schedule "D" thereto;

"**Upper Puruni Property**" means the approximate 43 km x 32 km mineral claim block controlled by ETK and located geographically in the western portion of the Republic of Guyana commonly known as the Upper Puruni River Area (as depicted in Figure 3-2 of this prospectus), such mineral claim block being ETK's sole property position, which property position consists of 189 mineral claims (164 PPMSs, 13 MPs, 5 PLs and 7 small scale claims) which, collectively, encompass an area of 102,281 hectares, all of which is more fully described in this prospectus in "Narrative Description of the Target Business";

"**Upper Puruni Joint Venture**" means the joint venture business relationship between ETK and Alphonso, evidenced by the Upper Puruni Joint Venture Agreement, pursuant to which ETK obtained rights in respect of 145 PPMS, 10 MPs and 7 small scale claims located in the Upper Puruni Property;

"**Upper Puruni Joint Venture Agreement**" means the amended and restated mining joint venture agreement between ETK and Alphonso, executed on September 17, 2008 and effective as at January 1, 2008, in respect of the Upper Puruni Joint Venture;

"**USD$**" means United States dollars, the lawful currency of the United States of America;

"**Vendors**" means, collectively, CGG and Mercedario;

"**Vendor Closing Conditions**" means the conditions to the completion of the Acquisition in favour of and for the benefit of the Vendors, which conditions must be satisfied by Sandspring or waived by the Vendors prior to the Closing, as set out in the Acquisition Agreement and which constitute customary conditions for a transaction such as the Acquisition, including conditions such as compliance with the terms and conditions of the Acquisition Agreement, the completion of the Private Placement, the completion of all necessary corporate acts required in connection with the Acquisition and the delivery of applicable opinions, releases, resignations, appointments, the Employment Agreements, the Non-Competition Agreements, the Purchase Shares and all other reasonably necessary documents and things required in connection with the closing of the Acquisition;

"**Warrant**" means one Common Share purchase warrant of the Corporation;

"**Warrant Agent**" means Computershare Trust Company of Canada;

"**Warrant Indenture**" has the meaning ascribed thereto under the heading "Description of Securities Distributed — Warrants";

"**Warrant Share**" means the Common Share that a Warrant holder is entitled to acquire upon the due exercise of a Warrant;

"**Work Program**" means the work program for the Toroparu Gold-Copper Prospect as recommended by P&E in the Technical Report and agreed upon by Sandspring, ETK and the Target, as described in "Narrative Description of the Target Business";

"**2008 Convertible Debt**" means the indebtedness of GoldHeart to the 2008 Lenders pursuant to the Convertible Promissory Notes, calculated to September 30, 2009, in the amount of USD$2,635,538 (such amount including accrued interest), as evidenced by the 2008 Convertible Promissory Notes, which shall be paid by Sandspring at Closing, through the issuance of the 2008 Convertible Debt Shares;

"**2008 Convertible Debt Shares**" means 5,271,076 Sandspring Shares to be issued by Sandspring to the 2008 Lenders at Closing, which represents full payment of the 2008 Convertible Debt, and "**2008 Convertible Debt Share**" means one such Sandspring Share;

"**2008 Convertible Promissory Notes**" means the convertible promissory notes issued by GoldHeart to the 2008 Lenders, dated October 10, 2008, evidencing the 2008 Convertible Debt;

"**2008 Lenders**" means Carden Ventures (BVI) Ltd. and A.S.T. Securities and Trade (BVI) Ltd., both of which are corporations incorporated under the laws of the British Virgin Islands, Mr. P. Greg Barnes, Alphonso, Mr. Ronaldo Alphonso, and Mr. Andron Alphonso;

"**2009 Convertible Debt**" means the indebtedness of GoldHeart to the 2009 Lenders pursuant to the 2009 Convertible Promissory Notes, calculated to September 30, 2009, in the amount of USD$500,000, as evidenced by the 2009 Convertible Promissory Notes;

"**2009 Convertible Debt Units**" means 1,571,429 units of Sandspring, each comprised of one (1) Sandspring Share and one half (1/2) of one (1) Sandspring Warrant, to be issued by Sandspring to the 2009 Lenders at Closing, which represents full payment of the 2009 Convertible Debt, and "**2009 Convertible Debt Unit**" means one such unit of Sandspring;

"**2009 Convertible Promissory Notes**" means the convertible promissory notes issued by GoldHeart to the 2009 Lenders, dated August 17, 2009 evidencing the 2009 Convertible Debt;

"**2009 Lenders**" means Adams, A.S.T. Securities and Trade (BVI) Ltd., a corporation incorporated under the laws of the British Virgin Islands and Alphonso; and

"**$**" means Canadian dollars, the lawful currency of Canada.

Words importing the singular number only, include the plural and vice versa, and words importing any gender include all genders.

All dollar amounts expressed herein are references to Canadian dollars, unless otherwise stated.

All defined terms used but not otherwise defined herein, shall have the respective meanings attributed to such terms in the policies of the Exchange.

GLOSSARY OF SELECT GEOLOGICAL, TECHNICAL AND MINERAL TERMS

"**AAS**" means atomic absorption spectroscopy a technique for determining the concentration of a particular metal element in a sample. The technique can be used to analyze the concentration of over 70 different metals in a solution;

"**Ag**" means Silver;

"**Alteration**" means any change in the mineralogical composition of a rock that is brought about by physical or chemical means, especially by the action of hydrothermal solutions;

"**Andesite**" means a dark-coloured, fine-grained extrusive volcanic rock that is the extrusive equivalent of a diorite. Composed predominantly of pyroxene and plagioclase;

"**Anomaly**" means a geological feature, especially in the subsurface, distinguished by geological, geophysical or geochemical means, which is different from the general surroundings. Being a deviation from an established rule or trend means it may have unusual economic implications;

"**arenaceous**" means a sediment or sedimentary rock consisting wholly or in part of sand-sized fragments, or having a sand texture or the appearance of sand. The term implies no special composition, and should not be used as a syn. of "siliceous";

"**argillaceous**" means a sediment largely composed of, or containing clay-sized particles or clay minerals;

"**arsenopyrite**" means a sulphide mineral (FeAsS) which constitutes the principal ore of arsenic;

"**Assay**" means to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest;

"**Au**" means Gold;

"**Azimuth**" means the horizontal angular distance from a reference direction, usually the northern point of the horizon;

"**Basement**" means the usually igneous and metamorphic rocks that exist below the younger sedimentary and volcanic cover, but which may be exposed at the surface;

"**Bedrock**" means a general term for the rock, usually solid, that underlies soil or other unconsolidated, superficial material;

"**Bornite**" means a copper iron sulphide mineral (Cu_5FeS_4) that is an important ore of copper;

"**Breccia**" means a course-grained clastic rock, composed of angular broken rock fragments held together by a mineral cement or in a fine grained matrix;

"**Carbonate**" means a mineral compound characterized by a fundamental anionic structure of $CO3^{-2}$ such as a calcite, aragonite or limestone ($CaCO_3$);

"**Chalcocite**" means a copper sulphide mineral (Cu_2S) and an important ore minerals of copper;

"**Chalcopyrite**" means a copper iron sulphide mineral ($CuFeS_2$) and the most important ore of copper;

"**Chlorite**" means a green coloured mica mineral characteristic of low-grade metamorphism or as alteration products of ferromagnesian minerals;

"**Clastic**" means a rock or sediment composed principally of fragments derived from pre-existing rocks or minerals that have been broken down by weathering and transported some distance from their places of origin;

"**Conglomerate**" means a course-grained sedimentary rock, composed of rounded to subangular fragments larger than 2 mm in diameter (granules, pebbles, cobbles, boulders) set in a fine grained matrix of sand or silt and commonly cemented into a solid mass;

"**Covellite**" means a lustrous indigo-blue copper sulphide mineral (CuS), a common secondary mineral which is an ore of copper;

"**Cretaceous**" means the final period of the Mesozoic era, thought to have covered the span of time period between 144 and 65 million years ago;

"**Cu**" means Copper;

"**Cuprite**" means a mineral composed of copper oxide Cu_2O is an important ore of copper and occurs as a secondary mineral in the zone of weathering of copper lodes;

"**DDH**" means diamond drill hole;

"**Deformation**" means a general term for the process of folding, faulting, shearing, compressing or extending rocks as a result of various earth forces;

"**Deposit**" means an accumulation of earth materials including mineralized material (ore) of any origin. A mineralized deposit does not qualify as a commercially mineable ore body or as containing reserves of ore, until final legal, technical and economic factors have been resolved;

"**Diabase**" means a mafic, intrusive igneous rock whose main components are labradorite and pyroxene. The word has come to mean a pre-Tertiary basalt in Germany, a decomposed basalt in England, and a dike rock with ophitic texture in the United States and Canada;

"**Diamond Drill**" means a rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections;

"**Diorite**" means a grey to dark grey intrusive igneous rock, intermediate in composition between acidic and basic and the approximate intrusive equivalent of andesite;

"**Dip**" means the maximum angle that a structural surface makes with the horizontal, measured perpendicular to the strike of the structure and in the vertical plane;

"**Disseminated**" mean where the ore minerals (usually sulphides) occur disseminated through the host rock;

"**Drill core**" means a solid, cylindrical sample of rock produced by an annular drill bit;

"**Epidote**" means a yellowish-green, pistachio-green, or blackish-green calcium aluminum iron sorosilicate mineral, that forms, in part, as a product of hydrothermal alteration in low grade metamorphic rocks;

"**Exploration**" means prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore;

"**Fault**" means a fracture or zone of fractures along which there has been a displacement of the sides relative to one another parallel to the fracture;

"**Fe**" means iron;

"**Fire assay**" means the assaying of metallic ores, usually gold and silver, by methods requiring melting of the rock to separate its various metallic constituents;

"**Fracture"** means a general term for any break in a rock, whether or not it causes displacement, due to mechanical failure by stress. Fractures include cracks, joints, and faults, and can provide permeability for fluid movement;

"**Geochemistry**" means the study of the distribution and amounts of the chemical elements in minerals, rocks, soils, water, and the atmosphere and the study of the circulation of the elements in nature on the basis of the properties of their atoms and ions;

"**Geology**" means the science concerned with the study of the rocks which compose the Earth;

"**Geophysical survey**" means a scientific method of prospecting that measures the physical properties of rock formations. Common properties investigated include magnetism, specific gravity, electrical conductivity and radioactivity;

"**Geophysics**" means the study of the physical properties of rocks and minerals;

"**GPS**" means Global Positioning System;

"**gpt**" means grams per tonne;

"**graywacke**" is an old rock name that has been variously defined but is now generally applies to a dark gray firmly indurated course-grained sandstone that consists of poorly sorted angular to subangular grains of quartz and feldspar, with a variety of dark rock and mineral fragments embedded in a compact clayey matrix having the general composition of slate and containing an abundance of very-fine grained illite, sericite, and chloritic minerals. It is generally associated with sedimentation within marine turbidity currents;

"**Host**" means a rock or mineral that is older than rocks or minerals introduced into it or formed within or adjacent to it;

"**Igneous**" means a rock solidified from molten or partially molten material. Igneous rocks constitute one of the three main classes into which rocks are divided, the others being metamorphic and sedimentary. If the rock crystallizes within the crust, it is said to be intrusive (granite, diorite and gabbro), while if it flows onto the surface, it is extrusive (rhyolite, andesite, and basalt);

"**Indicated Resource or Indicated"** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from location such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed;

"**Inferred Resource or Inferred**" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;

"**Intrusion**" means the process of emplacement of magma in pre-existing rock;

"**Kaolinite**" means a common white clay mineral usually derived from the weathering of granites, but also found in the alteration systems of epithermal deposits;

"**km**" means a kilometer;

"**Lava**" means is molten rock expelled by a volcano during an eruption;

"**Limonite**" means a collection of various amorphous iron oxides whose real identities are unknown;

"**Lithology**" means the physical character of a rock;

"**m**" means a meter;

“**Mafic”** means an igneous rock composed chiefly of one or more ferromagesian, usually dark coloured minerals;

“**Magnetic survey”** meansa geophysical survey that measures the intensity of the Earth’s magnetic field;

“**Magnetic Susceptibility**” means a measure of the degree to which a body is magnetised. For most geological material, susceptibility is influenced primarily by the percentage of magnetite;

“Measured Resource” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity;

“**Metamorphic”** means a rock that has undergone chemical or structural changes produced by increases in heat ad pressure;

“**Metasomatised**” means the state of being hydrothermally altered;

“**Metasomatism**” means the chemical alteration of a rock by hydrothermal and other fluids;

“**Mineralization**” means the process of processes by which a mineral or minerals are introduced into a rock, resulting in a valuable or potentially valuable deposit. It is a general term, incorporating various types , e.g. fissure filling, impregnation, replacement;

“**Mineral Resource**” is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge;

“**Molybdenite**” means a molybdenum sulphide mineral (MoS2) commonly found in porphyry deposits and the principal ore of molybdenum;

“**Monzodiorite**” means a plutonic rock of felsic to intermediate composition;

“**Mt**” means million(s) metric tonnes;

“**NQ**” means a size of diamond drill core approximately 75.44 mm in diameter;

“**Outcrop**” means that part of a geological formation or structure that appears at the surface of the earth; an exposure of bedrock at the surface;

“**Paleoproterozic**” means the first of the three sub-divisions (eras) of the Proterozoic occurring between 1,600 to 2,500 million years ago;

“**Palaeozoic**” means the era of geologic time from the end of the Precambrian to the beginning of the Mesozoic, or from about 570 and 225 million years ago;

“**Porphyry**” means an igneous rock of any composition that contains conspicuous larger crystals (phenocryst) in a fine-grained ground mass;

“**ppb**” means parts per billion;

“**ppm**” means parts per million;

"**Proterozoic**" means a geological eon representing a period before the first abundant complex life on Earth. The Proterozoic Eon extended from about 2,500 million to 570 million years ago;

"**Pyrite**" means a mineral composed of iron and sulphur (FeS_2);

"**Quartz**" means a mineral composed of silicon dioxide, crystalline silica, commonly in white masses, next to feldspar, the commonest mineral;

"**Radiometric**" means to measure the natural radiation in the earth's surface as a way of mapping different rock types and alteration;

"**Rhyolite**" means an igneous, volcanic (extrusive) rock, of felsic (silicon-rich) composition. It can be considered the volcanic rock equivalent of the plutonic (intrusive) rock granite;

"**Sample**" means a small portion of rock or a mineral deposit taken so that the metal content can be determined by assaying;

"**Saprolite**" means a soft, earthy, typically clay-rich, thoroughly decomposed rock, formed in place by chemical weathering of igneous, sedimentary, and metamorphic rocks. It often forms a layer or cover as much as 100 m thick, exp. in humid tropical climates. Saprolite is characterized by the preservation of structures that were present in the unweathered parent rock since it is not transported. Saprolites contain predominantly quartz and a high percentage of kaolinite with other clay minerals which are formed by chemical decomposition of primary minerals, mainly feldspars;

"**Schist**" means a strongly foliated and friable crystalline rock formed by dynamic metamorphism that can be readily split into thin flakes or slabs due to the well developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit such as mica or hornblende;

"**Sediment**" means solid material that has settled down from a state of suspension in a liquid. More generally, solid fragmental material transported and deposited by wind, water or ice, chemically precipitated from solution;

"**Sericite**" means mica-like minerals that occurs as an alteration product of various aluminosilicate minerals, commonly found in various metamorphic rocks or in the wall rocks, fault gouge, and vein fillings of many ore deposits as part of the alteration system;

"**Shale**" means a fine-grained, detrital sedimentary rock made up of silt and clay-sized particles;

"**Silica**" means silicon dioxide, of which quartz is a common example;

"**Smelter**" means a facility where ore concentrates are processed to produce metals;

"**Stockwork**" means a complex system of structurally controlled or randomly oriented veins. Stockwork systems are common in many ore deposit types;

"**Strike**" means direction or trend of a geologic structure;

"**Sulphide**" means a group of minerals in which one or more metals are found in combination with sulphur;

"**t**" means metric tonnes;

"**Tertiary**" means the recent geological time period between 65 and 2 million years ago;

"**Toroparu Shear Zone**" means a regional zone of north-westerly trending shearing that hosts the Toroparu mineralization. The zone is located immediately northwest of the Toroparu Pit area;

"**TPD**" means tonnes per day;

“**UTM**” means Universal Transverse Mercator a global grid survey system;

“**Vein**” means a thin sheet-like intrusion into a fissure or crack, commonly bearing quartz;

“**Volcanic**” means pertaining to the activities, structures or rock types of a volcano;

“**Volcaniclastic**” means rock composed predominantly of volcanic fragment, e.g. volcanic ash; and

“**Work Performance Bond**” means that financial instrument (bond) pledged as a guarantee to ensure that the quality of the completed work product meets agreed upon standards

CONVERSIONS

To Convert From	To	Multiply By
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.621
Hectares	Acres	2.471
Kilograms	Pounds	2.205
Pounds	Kilograms	0.454
Mcf	Thousand cubic metres	0.028
Thousand cubic metres	Mcf	35.494
Bbl	Cubic metres	0.159
Cubic metres	Bbl	6.29

CORPORATE STRUCTURE

Name, Address and Incorporation

Sandspring

Sandspring was incorporated on September 20, 2006, by Certificate of Incorporation issued pursuant to the provisions of the ABCA, under the name "Sandspring Resources Ltd." and on March 16, 2007, the Corporation amended its articles of incorporation, to remove the restrictions against the transfer of securities. The head office of the Corporation is located at 115 – 17th Ave. S.W., Calgary, Alberta, T2S 0A1 and its registered and records office is located at Suite 1000, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

The Target

The Target was incorporated as "GoldHeart Investment Holdings Ltd." on October 15, 2008, under the *Business Companies Act, 2004,* of the British Virgin Islands. The registered office of the Target is located at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands, and its head office is located at 10390 Bradford Road, Suite 205, Littleton, Colorado, 80127-6416, United States of America.

Intercorporate Relationships

Sandspring does not have any subsidiaries. The Target has one wholly-owned subsidiary named ETK Inc. ETK is a private company incorporated under the *Companies Act* of Guyana, South America. ETK was incorporated on October 29, 1999. ETK's head and registered office is located at 56-57 Atlantic Ville, Georgetown, Guyana. Upon completion of the Acquisition, GoldHeart will be a wholly-owned subsidiary of Sandspring and at such time, Sandspring will continue the business of GoldHeart as currently undertaken.

SUMMARY OF THE PROPOSED ACQUISITION AND RELATED TRANSACTIONS

Through its wholly-owned subsidiary, ETK, the Target holds certain mineral and prospecting interests and is the operator of the Upper Puruni Property and the Toroparu Gold-Copper Prospect, located in the Republic of Guyana, South America.

Acquisition of 100% of the Target Shares

On May 11, 2009, the Corporation, the Vendors, the Target, the Lenders, CGR and ETK, entered into the Acquisition Agreement (as amended on August 19, 2009), setting out the rights and obligations arising in connection with, and establishing the general framework for, the purchase by the Corporation of the Acquisition Shares and certain other corollary transactions, including the assumption and payment of the 2008 Convertible Debt, the 2009 Convertible Debt and the assumption and payment of up to a maximum of USD$1,200,000 of the Revolving Debt. The Acquisition is intended to serve as the Corporation's Qualifying Transaction.

Pursuant to the Acquisition Agreement, the Corporation will acquire from CGG and Mercedario, 1,000 Target Shares in aggregate (800 Target Shares and 200 Target Shares, respectively), representing 100% of the issued and outstanding Target Shares (previously defined herein as the "**Acquisition Shares**"). In exchange for the Acquisition Shares, the Corporation will issue 30,525,030 Sandspring Shares to CGG and 7,631,258 Sandspring Shares to Mercedario, for a total issuance of 38,156,288 Sandspring Shares (previously defined herein as the "**Purchase Shares**"); the Purchase Shares will be issued at a deemed price of $0.6552, representing a deemed aggregate acquisition price of USD$20,000,000 (utilizing a $/USD$ exchange rate agreed upon by the Venders and the Corporation, of $1.25 = USD$1.00). Pursuant to the Acquisition Agreement, the closing of the Acquisition is subject to certain conditions, including: (i) conditional approval of the Exchange; (ii) completion of the Private Placement; (iii) assumption and payment by Sandspring of the 2008 Convertible Debt, the 2009 Convertible Debt and the Revolving Debt as set out in this prospectus; and (iv) satisfaction or waiver of the Sandspring Closing Conditions and the Vendor Closing Conditions.

Upon completion of the Acquisition, Sandspring will own 100% of the issued and outstanding Target Shares and, accordingly, the assets and business of the Target will become the main assets of the Corporation. As a result, the

Corporation will be engaged indirectly in the business of exploring for precious and base metals on the Toroparu Gold-Copper Prospect and otherwise within the Upper Puruni Property, and in respect of such other properties and interests as may be subsequently acquired by the Corporation.

Other Terms of the Acquisition - Assumption and Payment of 2008 Convertible Debt, 2009 Convertible Debt and the Revolving Debt

Pursuant to the Acquisition Agreement, the Corporation will assume and pay at Closing, all amounts outstanding at the Closing Date, in respect of the 2008 Convertible Debt and the 2009 Convertible Debt. The 2008 Convertible Debt (principal and interest) has been calculated to September 30, 2009, at USD$2,635,538 (approximately $2,899,092, utilizing a $/USD$ exchange rate agreed upon by the 2008 Lenders and the Corporation, of $1.10 = USD$1.00) and shall be fully paid by the Corporation to the 2008 Lenders at Closing, through the issuance of 5,271,076 2008 Convertible Debt Shares at a deemed per-share value of $0.50. The 2009 Convertible Debt (principal and interest through September 20, 2009) has been calculated to September 30, 2009 at $550,000, utilizing a $/USD$ exchange rate agreed upon by the 2009 Lenders and the Corporation, of $1.10 = USD$1.00) and shall be fully paid by the Corporation to the 2009 Lenders at Closing, through the issuance of 1,571,429 2009 Convertible Debt Units at a deemed per-unit value of $0.35 (the issuance price of the Sandspring Units underlying the Subscription Receipts). The payment of the 2008 Convertible Debt and the 2009 Convertible Debt will occur at Closing.

In the event the Closing does not occur on September 30, 2009, the number of Convertible Debt Shares and Convertible Debt Units to be issued will be increased by that number of Sandspring Shares and that number of Sandspring Units, as the case may be, which is required to satisfy all amounts owing (plus accrued interest) to the Lenders at Closing and for greater certainty, will be calculated with reference to an annual interest rate of 3.5% in respect of all amounts outstanding on the 2008 Convertible Debt and the 2009 Convertible Debt, as the case may be and a $/ USD$ exchange rate of $1.1 = USD$1.00. If additional Convertible Debt Shares and Convertible Debt Units are required to be issued as a result of the Closing Date occurring after September 30, 2009, such Convertible Debt Shares shall be issued at a deemed per-share value of $0.50 and such Convertible Debt Units at a deemed per-unit value of $0.35.

In addition, the Corporation will assume and pay at Closing, the Revolving Debt owed by ETK to CGR, subject to a maximum payment of USD$1,200,000 and in connection therewith, any amount incurred and owing to CGR that exceeds USD$1,200,000, will be cancelled by CGR at Closing. A cash payment by Sandspring of USD$250,000 in respect of the Revolving Debt, will be made at Closing from the proceeds of the Private Placement. In addition, USD$500,000 of the Revolving Debt will be paid at Closing by way of the issuance of 1,571,429 Sandspring Units and the remaining amounts owing in respect of the Revolving Debt, to a maximum of USD$1,200,000, will be paid on or before December 31, 2010, by way of either: (i) Revolving Debt Interim Payments; or, (ii) at the discretion of CGR and with the agreement of Sandspring, the issuance of Sandspring Shares (a "**Revolving Debt Share Payment**"). In the event that CGR requests and Sandspring consents to, a Revolving Debt Share Payment, such amounts owing for which a Revolving Debt Share Payment has been requested, shall be converted from cash to Sandspring Shares using a per-share price for each Sandspring Share (the "**Revolving Debt Share Payment Calculation**"), that is equal to the volume-weighted average trading price for the Sandspring Shares for the five (5) day period commencing immediately prior to the date on which the Revolving Debt Share Payment is to be completed. In the event that Sandspring does not agree to make a Revolving Debt Share Payment, it will continue to make cash payments on outstanding amounts owing in respect of the Revolving Debt, by way of the Revolving Debt Interim Payments in accordance with the terms of the GoldHeart Net Profits Agreement. In the event that interest and/or principal on the Revolving Debt remains unpaid on December 31, 2010, however, Sandspring will satisfy all amounts owing up to a maximum of USD$450,000 by way of issuance of that number of Sandspring Shares as is required to satisfy such amounts outstanding, based on the Revolving Debt Share Payment Calculation.

The Private Placement

A condition to the completion of the Acquisition is the completion of the Private Placement of 14,285,800 Subscription Receipts, at a purchase price of $0.35 per Subscription Receipt, for aggregate gross proceeds of $5,000,030. In addition, the Corporation granted to the Underwriters the Over-allotment Option for an additional 2,857,200 Subscription Receipts. Pursuant to the Underwriting Agreement, Research Capital together with Richardson, agreed on a "bought-deal" basis, to purchase or obtain subscriptions from substitute purchasers, for the purchase of Subscription Receipts, with the further right to increase the size of the Private Placement by virtue of the Over-allotment Option which was fully exercised. On August 14, 2009 and August 27, 2009 the Private Placement was completed and the Over-allotment Option was fully exercised resulting in the issuance of 17,143,000 Subscription Receipts for gross proceeds to Sandspring, of $6,000,050 (the "**Gross Proceeds**"). The Underwriters' received the Underwriter's Commission and the Underwriter's Compensation Options as consideration for its services provided.

The Gross Proceeds less amounts paid to the Underwriter as commissions and expenses (the "**Escrowed Funds**"), have been deposited into an interest-bearing escrow account, releasable to the Corporation at the closing of the Acquisition and upon the satisfaction or waiver of the Escrow Release Conditions. In the event the Escrow Release Conditions are not satisfied or waived by the Underwriter by the Escrow Deadline, the Escrowed Funds, together with the interest accrued thereon, and the Underwriter's Commission, will be returned to subscribers; provided, however, that the Corporation shall have the right to extend the Escrow Deadline by up to sixty (60) days upon receipt of written consent of holders of Subscription Receipts that represent more than fifty percent (50%) of the Sandspring Units issuable upon exchange of the Subscription Receipts. To the extent that the Escrowed Funds and accrued interest thereon, plus the Underwriter's Commission, is less than the Gross Proceeds, subscribers will receive less than their full subscription amount and the Corporation will not be liable to pay the difference.

The proceeds of the Private Placement will be used to finance the Work Program, to pay USD$250,000 to CGR as partial payment of the Revolving Debt as described herein, for general working capital purposes and to pay the costs of the Private Placement and the Acquisition.

Other Terms of the Private Placement

In connection with the Private Placement and pursuant to the Underwriting Agreement, Sandspring has agreed to obtain the Prospectus Qualification. In the event that the Prospectus Qualification is not obtained on or before October 13, 2009, each Subscription Receipt will, instead of being exchangeable on a one-for-one (1:1) basis into Units, thereafter be exchangeable into 1.1 Units.

In connection with the Private Placement, the current directors and officers of Sandspring and insiders of the Target entered into the Lock-up Agreements, pursuant to which, each such holder agreed to not transfer, sell or otherwise dispose of or deal with (the "**Lock-up Restrictions**") any Sandspring Shares held by such holder, without the prior consent of Research Capital, for a period of six (6) months from the Closing Date (the "**Lock-up Release Date**"). A total of 42,100,537 Sandspring Shares are subject to Lock-up Restrictions. On the Lock-up Release Date, all Sandspring Shares subject to Lock-up Agreements will become freely tradable and will at such time no longer be subject to Lock-up Restrictions subject to any regulatory escrow that may be imposed.

Non-Competition Agreements

In connection with and at the closing of the Acquisition, each of the Vendors and Lenders will execute a Non-Competition Agreement in favour of the Corporation.

Payment of GoldHeart and ETK Costs and Expenses of the Acquisition

Upon completion of the Acquisition and pursuant to the Acquisition Agreement, the Corporation shall, upon receipt and approval of appropriate invoices, reimburse GoldHeart and ETK for their respective reasonable costs and expenses incurred in connection with the Acquisition, including legal, accounting, consulting and travel costs and expenses, up to but not to exceed, USD$150,000.

GENERAL DEVELOPMENT OF THE BUSINESS

Sandspring

The Corporation is a "CPC" as such term is defined in the CPC Policy. On May 15, 2007, the Corporation completed its initial public offering of 2,000,000 Sandspring Shares for gross proceeds of $200,000, by way of a final CPC prospectus dated April 27, 2007, filed in the provinces of Alberta, British Columbia and Ontario. The Sandspring Shares began trading on the Exchange effective August 24, 2007, under the symbol "SSP.P" and were halted from trading immediately upon the commencement thereof, pending the announcement of a proposed Qualifying Transaction.

As required by the CPC Policy, the Corporation has conducted no business operations except in connection with the identification and evaluation of potential acquisitions with a view to satisfying the conditions for a Qualifying Transaction, including the evaluation of the acquisition of the Target.

On July 11, 2008, the Corporation completed a non-brokered private placement of 1,200,000 Sandspring Shares at a purchase price of $0.25 per Sandspring Share, for aggregate gross proceeds of $300,000. In addition, on April 1, 2009, April 9, 2009 and May 12, 2009, the Corporation issued 200,000, 200,000 and 100,000 Sandspring Shares, respectively, in connection with the non-brokered private placement of 500,000 Sandspring Shares, at a purchase price of $0.50 per Sandspring Share, for aggregate gross proceeds of $250,000. On August 21, 2009, the IPO Agent exercised the IPO Agent's Options and as a result, 200,000 Sandspring Shares were issued to the IPO Agent, to bring the total number of issued and outstanding Sandspring Shares to 5,900,000 as at the Effective Date.

On August 14, 2009 and August 27, 2009, the Corporation completed the Subscription Receipt Closing and issued 17,143,000 Subscription Receipts at a purchase price of $0.35 per Subscription Receipt, for aggregate gross proceeds of $6,000,050. Each Subscription Receipt will be deemed to be converted into one (1) Sandspring Unit concurrent with the Closing and satisfaction of the Escrow Release Conditions, subject to adjustment. In connection with the Subscription Receipt Closing, the Corporation issued to the Underwriters 1,714,300 Compensation Option Receipts and paid the Underwriters' Commission and expenses. In addition, pursuant to the Underwriting Agreement, Sandspring agreed to obtain the Prospectus Qualification. In the event that the Prospectus Qualification is not obtained on or before October 13, 2009, each Subscription Receipt will, instead of being exchangeable on a one-for-one (1:1) basis, be exchanged into 1.1 Shares and 0.55 Warrant. See "Plan of Distribution".

Upon completion of the Acquisition, the business of Sandspring will be the business of the Target.

The Target

The Target, through its wholly-owned subsidiary ETK, is a mineral exploration company, as ETK's business objective for the three years ending December 31, 2008, has been the exploration and development of the Upper Puruni Property. In 2005 and 2006, ETK conducted test open-pit mining of the Toroparu Gold-Copper Prospect, established a 250m x 200m x 23m open pit (previously defined herein as the "**Toroparu Pit**") and processing ore through a gravity separation mill for the recovery of gold.

Pursuant to the Formation and Contribution Agreement, effective December 15, 2008, the Target acquired all right, title and interest held by Alphonso in certain mining interests held by Alphonso in the Toroparu Gold-Copper Prospect and GoldHeart acquired all of the issued and outstanding ETK Shares from CGG. In exchange, the Target issued 800 Target Shares to CGG and 200 Target Shares to Mercedario. As a result of the foregoing, ETK became the wholly-owned subsidiary of the Target and further consolidated its control over mining interests in the Toroparu Gold-Copper Prospect. In connection with the Formation and Contribution Agreement and the activities contemplated thereby, the Target, ETK, Mercedario and CGG entered into the GoldHeart Shareholder Agreement, for the purpose of confirming their respective rights and obligations in respect of the Target Shares. In accordance with the terms of the Acquisition Agreement, the Corporation will acquire all of the Target Shares owned by Mercedario and CGG and the GoldHeart Shareholder Agreement will thereafter terminate.

From 2006 to 2008, ETK conducted geologic exploration of the Toroparu Gold-Copper Prospect including trenching, geochemical sampling, aeromagnetic surveys, and a 30 bore hole (10,218 meter) NQ diamond core drilling program to assist in defining the resource potential of the Toroparu Gold-Copper Prospect. Results from the trench sampling and diamond drilling programs were compiled in the Technical Report.

From 2006 to the end of 2008, ETK employed a staff in Guyana that fluctuated between 45 and 100 individuals; these individuals were employed in various capacities in the areas of exploration, mining, security and administration and were based out of the Toroparu Mine site, a logistical facility at Itaballi Landing and offices in Georgetown.

The Target continues to carry on business in the ordinary course.

Upper Puruni Joint Venture Agreement

Pursuant to the Upper Puruni Joint Venture Agreement, ETK and Alphonso reconfirmed their agreement to operate the Upper Puruni Joint Venture. Under the Upper Puruni Joint Venture Agreement, Alphonso reconfirmed his contribution of his rights under the various PPMSs, MPs and small scale claims listed in Schedule A thereto and ETK agreed to contribute all funding and technical expertise necessary in connection with the exploration and exploitation of minerals on the lands subject to the Upper Puruni Joint Venture Agreement. Further, ETK contributed to the Upper Puruni Joint Venture its interests in the Daniels Joint Venture and in the 5 PLs acquired by ETK from the Government of Guyana.

Pursuant to the Upper Puruni Joint Venture Agreement, ETK is irrevocably designated the operator of the Upper Puruni Joint Venture and is granted an irrevocable license to enter and conduct operations on the lands subject to the PPMS's MP's and small scale claims contributed by Alphonso. In connection therewith, ETK is obligated to conduct all operations on the lands subject to the PPMSs, MPs and small scale claims in accordance with all applicable requirements of Guyana law, the regulations of the GGMC and the terms of the relevant PPMSs, MPs and small scale claims.

ETK and Alphonso also created an "area of mutual interest" as delineated in the Upper Puruni Joint Venture Agreement, pursuant to which each party agreed to offer to the Upper Puruni Joint Venture, any mineral or property interest acquired by such party in the designated area.

In addition, the Upper Puruni Joint Venture Agreement confirms the continuing right of Alphonso to conduct alluvial mining operations on the lands subject to the interest contributed by Alphonso and the lands subject to the Daniels Joint Venture and the five PLs acquired by ETK from the Government of Guyana provided, however, for any mining operations conducted by Alphonso on the lands subject to the Daniels Joint Venture or the PLs, Alsphonso is obligated to pay a royalty of 6% to ETK. Pursuant to the terms of the Upper Puruni Joint Venture Agreement, ETK has the right to cause Alphonso to relocate his mining operations from lands on which ETK is either conducting "ETK Operations" (as defined in the Upper Puruni Joint Venture Agreement) or in respect of which ETK desires to commence ETK Operations.

An in-kind royalty of 6% (the "**Royalty**") is payable to Alphonso on all gold production resulting from the PPMS's MP's and small scale claims contributed by him to the Upper Puruni Joint Venture. ETK has paid Royalty payments to Alphonso since commencing mining operations in 2004 and all required Royalties continue to be paid on current mining activities. The Upper Puruni Joint Venture grants ETK an option to purchase 100% of Alphonso's right, title and interest in the Upper Puruni Joint Venture (including the Royalty) for USD$20,000,000 (the "**Buy-Out Option**"), excluding only Alphonso's continuing alluvial mining rights. Pursuant to the Upper Puruni Joint Venture Agreement, Alphonso maintains the right to be paid the Royalty following the completion of the Acquisition, unless and until ETK exercises the Buy-Out Option and ETK will not receive any credits against the price of the Buy-Out Option for the Royalty or other payments made to Alphonso during the term of the Upper Puruni Joint Venture.

The Upper Puruni Joint Venture Agreement contains various "work" requirements which must be satisfied by ETK to ensure the continuation and performance of work on the lands subject to the PPMSs, MPs and small scale claims contributed by Alphonso to the Upper Puruni Joint Venture and establishes monetary penalties for the failure by ETK to meet such performance requirements.

The Upper Puruni Joint Venture Agreement also sets forth customary representations, warranties, terms and conditions for agreements of a similar nature entered into in Guyana including, but not limited to, rights of termination and dispute resolution.

Revolving Loan Agreement

Pursuant to the terms of the Revolving Loan Agreement, CGR has loaned funds to ETK, for use in connection with mining and prospecting activities undertaken on the Upper Puruni Property.

In accordance with the terms of the Acquisition Agreement, the Revolving Debt incurred pursuant to the Revolving Loan Agreement is being assumed and paid by the Corporation, subject to maximum payment obligation to the Corporation of USD$1,200,000. At the closing of the Acquisition, all amounts outstanding in respect of the

Revolving Debt and in excess of USD$1,200,000, will, upon payment by the Corporation of USD$750,000 (USD$250,000 in cash and USD$500,000 by way of issuance of Sandspring Units as outlined in this propsectus), be cancelled and forgiven absolutely.

Convertible Promissory Notes

To secure funding for its exploration activities and operating costs, convertible promissory notes (previously defined herein as the "**2008 Convertible Promissory Notes**" and the "**2009 Convertible Promissory Notes**") were sold to the 2008 Lenders and the 2009 Lenders in the USD$ amounts listed below, during 2007, 2008 and 2009. All of the 2008 Convertible Promissory Notes listed below that were originally issued prior to October 10, 2008, were assumed and reissued by GoldHeart on October 10, 2008. The 2008 Convertible Promissory Notes listed below with an original issue date of October 10, 2008, were issued by GoldHeart as of October 10, 2008 and 2009 Convertible Promissory Notes listed below, were issued by GoldHeart on August 17, 2009.

Lender	Original Date of Note	Dated of Assumed and Reissued	Principal Amount (USD$)
Carden Ventures (BVI) Ltd.	August 7, 2007	October 10, 2008	1,000,000
P. Greg Barnes	November 21, 2007	October 10, 2008	50,000
A.S.T. Securities & Trade (BVI) Ltd	December 31, 2007	October 10, 2008	50,000
A.S.T. Securities & Trade (BVI) Ltd	January 4, 2008	October 10, 2008	50,000
A.S.T. Securities & Trade (BVI) Ltd	August 7, 2008	October 10, 2008	30,000
Alfro Alphonso	October 10, 2008	N/A	250,000
Ronaldo Alphonso	October 10, 2008	N/A	50,000
Andron Alphonso	October 10, 2008	N/A	60,000
Carden Ventures (BVI) Ltd.	October 10, 2008	N/A	700,000
John R. Adams	August 17, 2009	N/A	100,000
A.S.T. Securities & Trade (BVI) Ltd	August 17, 2009	N/A	75,000
Michael Berry	August 17, 2009	N/A	25,000
Alfro Alphonso	August 17, 2009	N/A	300,000

Pursuant to their terms, all of the 2008 Convertible Promissory Notes bear interest at an annual rate of 3.5% and payment thereon is due on September 30, 2009. The 2008 Convertible Promissory Notes convert into Target Shares prior to maturity upon the occurrence of various events or, in the event the closing of the Acquisition occurs prior to maturity of the 2008 Convertible Promissory Notes, the 2008 Convertible Promissory Notes will be paid in full by way of the issuance of the 2008 Convertible Debt Shares as indicated elsewhere in this prospectus. See "Narrative Description of the Target Business".

Pursuant to their terms, all of the 2009 Convertible Promissory Notes are interest free until September 30, 2009 and thereafter bear interest at a rate of 3.5% and payment thereon is due on November 30, 2009. The 2009 Convertible Promissory Notes convert into Target Shares prior to maturity upon the occurrence of various events or, in the event the closing of the Acquisition occurs prior to maturity of the 2009 Convertible Promissory Notes, the 2009 Convertible Promissory Notes will be paid in full by way of the issuance of the 2009 Convertible Debt Units as indicated elsewhere in this prospectus.

NARRATIVE DESCRIPTION OF THE TARGET BUSINESS

The information contained or referred to in this prospectus with respect to GoldHeart and its related business has been provided by management of GoldHeart and is the responsibility of GoldHeart. Management and the directors of Sandspring have relied upon GoldHeart for the accuracy of the information provided by GoldHeart without independent verification.

Information of a technical nature in this prospectus is substantially derived from the Technical Report. The Technical Report was completed on January 6, 2009, with an effective date of October 26, 2008. The full text of the Technical Report is posted on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be obtained through the internet, by accessing the SEDAR profile for the Corporation at www.sedar.com. A printed copy of the Technical Report may be inspected during normal business hours at the Corporation's offices, at 115 - 17th Avenue S.W., Calgary, Alberta, T2S 0A1, until the completion of the Acquisition.

Property Description and Location

The Upper Puruni Property, which comprises the majority of the Target's mining and prospecting interests (and all of its material mining and prospecting interests), consists of a claim block located approximately 210 km west of Georgetown, the capital city of Guyana, in the Upper Puruni area of western Guyana (Figure 3-2). This claim block, roughly 47 km by 32 km in size, is comprised of 164 contiguous PPMSs, 13 MPs and 7 small scale claims that together cover an area of 194,661 acres (78,810 hectares) and 5 contiguous PLs that cover an area of 57,997 acres (23,471 hectares).

The Upper Puruni Property is ETK's sole resource property for the years covered by the financial statements of ETK contained in this prospectus. The Toroparu Gold-Copper Prospect, which is the Qualifying Property, which is described in detail in the Technical Report, is located within the exterior boundaries of the Upper Puruni Property.

A list of mineral tenures contained within the Upper Puruni Property is reproduced in Table 1 and 2 below.

Table 1: Land Tenure – Medium Scale Prospecting Permits (PPMS)

GS8 Number	*PPMS Number*	*Area (Acres)*	*Location*	*Map Number*	*Renewal Date*
A-106/014/500/95	164/2000	1109	Puruni River	90	June 06, 2010
A-106/015/501/95	165/2000	1199	Puruni River	52	June 06, 2010
A-106/016/502/95	166/2000	1199	Puruni River	51	June 06, 2010
A-106/017/503/95	167/2000	1158	Puruni River	36	June 06, 2010
A-106/018/504/95	168/2000	1158.8	Puruni River	35	June 06, 2010
A-140/000/0247/97	0080/2000	1106	Upper Mazaruni	96	February 10, 2010
A-140/001/0248/97	0081/2000	1200	Upper Mazaruni	105	February 10, 2010
A-140/002/0249/97	0082/2000	1143	Upper Mazaruni	108	February 10, 2010
A-140/003/0250/97	0083/2000	1180	Upper Mazaruni	123	February 10, 2010
A-140/004/0251/97	0084/2000	938	Upper Mazaruni	127	February 10, 2010
A-140/005/0252/97	0085/2000	627	Upper Mazaruni	135	February 10, 2010
A-140/007/0254/97	0086/2000	1106	Upper Mazaruni	131	February 10, 2010
A-140/008/0255/97	0087/2000	1180	Upper Mazaruni	126	February 10, 2010
A-140/011/0258/97	0090/2000	1180	Upper Mazaruni	104	February 10, 2010
A-140/012/97	0467/2002	1120	Upper Mazaruni	106	July 07, 2010
A-140/013/97	0659/2002	1120	Upper Puruni	121	October 06, 2009
A-140/014/97	0660/2002	1120	Upper Puruni	125	October 06, 2009
A-140/015/97	0661/2002	1120	Upper Puruni	130	October 06, 2009
A-140/016	5240/2002	1120	Tamakay	133	December 15, 2009
A-140/017/97	0662/2002	1120	Tamakay	68	October 06, 2009
A-140/018/97	0663/2002	1120	Tamakay	129	October 06, 2009
A-140/019/97	0664/2002	1120	Tamakay	124	October 06, 2009

Table 1: Land Tenure – Medium Scale Prospecting Permits (PPMS)

GS8 Number	*PPMS Number*	*Area (Acres)*	*Location*	*Map Number*	*Renewal Date*
A-140/020/97	0665/2002	1120	Upper Puruni	120	October 06, 2009
A-140/021/268/97	0523/2001	900	Tamakay	139	August 27, 2010
A140/023/270/97	0091/2000	1120	Puruni River	158	February 10, 2010
A-140/024/271/97	0092/2000	1120	Puruni River	159	February 10, 2010
A-140/025/272/95	0093/2000	1120	Puruni River	160	February 10, 2010
A-140/026/273/97	0094/2000	1120	Puruni River	161	February 10, 2010
A-140/027/274/97	0095/2000	734	Puruni River	162	February 10, 2010
A-140/028/0275/97	0195/2001	1120	Puruni River	141	March 13, 2010
A-140/029/97	0666/2002	1120	Tamakay	143	October 06, 2009
A-140/030/97	0667/2002	1120	Tamakay	142	October 06, 2009
A-140-009/0256/97	0088/2000	1180	Upper Mazaruni	122	February 10, 2010
A-140-010/0257/97	0089/2000	1180	Upper Mazaruni	107	February 10, 2010
A-141/000/0282/97	225/2000	1164	Pashanamu	101	May 29, 2010
A-141/001/0283/97	226/2000	1164	Pashanamu	100	May 29, 2010
A-141/002/0284/97	227/2000	922	Pashanamu	80	May 29, 2010
A-141/003/0285/97	228/2000	530	Pashanamu	99	May 29, 2010
A-141/004/0286/97	229/2000	1058	Pashanamu	109	May 29, 2010
A-141/005/028/97	230/2000	1164	Pashanamu	110	May 29, 2010
A-141/006/0288/97	231/2000	551	Pashanamu	128	May 29, 2010
A-184/000/0394/99	0264/2001	941	Puruni River	31	March 11, 2010
A-184/001/0395/99	0265/2001	948	Ikuk River	44	March 11, 2010
A-184/002/0396/99	0266/2001	1137	Ikuk River	59	March 11, 2010
A-184/003/0397/99	0267/2001	987	Ikuk River	76	March 11, 2010
A-184/004/0398/99	0268/2001	1200	Ikuk River	78	March 11, 2010
A-184/005/0399/99	0269/2001	1200	Ikuk River	79	March 11, 2010
A-184/006/0400/99	0270/2001	1020	Ikuk River	98	March 11, 2010
A-184/007/0401/99	0271/2001	927	Ikuk River	97	March 11, 2010
A-184/008/0402/99	0272/2001	869	Ikuk River	77	March 12, 2010
A-184/009/99	0579/2002	804	Upper Puruni	149	August 15, 2010
A-184/010/99	0580/2002	804	Upper Puruni	148	August 15, 2010
A-184/011/99	0581/2002	780	Upper Puruni	147	August 15, 2010
A-184/012/99	0582/2002	1058	Upper Puruni	146	August 15, 2010
A-184/013/99	0583/2002	1170	Upper Puruni	150	August 15, 2010
A-185/001/99	0577/2002	795	Upper Puruni	5	August 14, 2010
A-185/002/99	0578/2002	1143	Upper Puruni	4	August 14, 2010
A-185/003/0411/99	0227/2001	795	Puruni River	3	March 07, 2010
A-185/004/0412/99	338/2001	1043	Puruni River	19	May 17, 2010
A-185/005/0413/99	0228/2001	1200	Puruni River	15	March 06, 2010
A-185/006/0414/99	0229/2001	1200	Puruni River	20	March 06, 2010
A-185/007/0415/99	0330/2001	1200	Upper Puruni	28	March 06, 2010
A-185/008/0416/99	0331/2001	1190	Upper Puruni	29	March 06, 2010
A-185/009/0417/99	0424/2001	1190	Upper Puruni	30	May 27, 2010
A-185/010/0418/99	0425/2001	1036	Upper Puruni	43	May 28, 2010
A-185/011/0419/99	0426/2001	1071	Upper Puruni	42	May 28, 2010
A-185/008/0420/99	0332/2001	1071	Upper Puruni	41	March 06, 2010
A-185/013/0421/99	0333/2001	1087	Upper Puruni	40	March 07, 2010
A-185/014/0422/99	0334/2001	1136	Upper Puruni	39	March 06, 2010
A-185/015/0423/99	0335/2001	1200	Ikuk River	38	March 06, 2010
A-185/016/0424/99	0336/2001	637	Ikuk River	58	March 06, 2010
A-185/017/0425/99	0337/2001	658	Ikuk River	57	March 06, 2010

Table 1: Land Tenure – Medium Scale Prospecting Permits (PPMS)

GS8 Number	*PPMS Number*	*Area (Acres)*	*Location*	*Map Number*	*Renewal Date*
A-185/018/0426/99	0338/2001	658	Upper Puruni	56	March 06, 2010
A-185/019/0427/99	0339/2001	607	Upper Puruni	55	March 06, 2010
A-185/020/0428/99	0340/2001	679	Upper Puruni	54	March 06, 2010
A-185/021/0429/99	0341/2001	637	Upper Puruni	53	March 06, 2010
A-185/022/0430/99	0342/2001	1125	Ikuk River	75	March 06, 2010
A-185/023/0431/99	0343/2001	1125	Ikuk River	74	March 07, 2010
A-185/024/0432/99	0344/2001	1125	Ikuk River	73	March 07, 2010
A-185/025/0433/99	0345/2001	1200	Ikuk River	72	March 08, 2010
A-185/026/0426/99	0346/2001	700	Putaring	71	March 08, 2010
A-185/027/99	0697/2002	675	Upper Puruni	70	October 16, 2009
A-185/028/0436/99	0347/2001	1150	Putaring	95	March 07, 2010
A-185/030/0438/99	0349/2001	1035	Putaring	93	March 08, 2010
A-185/031/0439/99	0350/2001	1081	Putaring	92	March 08, 2010
A-185/032/0440/99	0351/2001	1200	Putaring	2	March 06, 2010
A-185/033-0441/99	0352/2001	1200	Putaring	1	March 06, 2010
A-185/034/0442/99	0353/2001	1104	Putaring	9	March 08, 2010
A-185/035/0443/99	0354/2001	1066	Puruni River	10	March 08, 2010
A-185/036/0444/99	0355/2001	1066	Puruni River	14	March 08, 2010
A-185/037/0445/99	0356/2001	1104	Tamakay	13	March 08, 2010
A-185/038/0446/99	0357/2001	1115	Puruni River	17	March 07, 2010
A-185/039/0447/99	0358/2001	1114	Tamakay	18	March 08, 2010
A-185/040/0448/99	0359/2001	1000	Tamakay	26	March 08, 2010
A-185/041/0449/99	0360/2001	1080	Tamakay	27	March 08, 2010
A-199/000/2000	620/2001	1016	Puruni River	64	September 19, 2010
A-199/001/2000	621/2001	1016	Puruni River	81	September 19, 2010
A-199/003/2000	623/2001	1016	Puruni River	83	September 19, 2010
A-199/004/2000	624/2001	1016	Puruni River	85	September 19, 2010
A-199/005/2000	625/2001	1016	Puruni River	87	September 19, 2010
A-199/006/2000	626/2001	1016	Puruni River	115	September 19, 2010
A-199/007/2000	627/2001	1014	Puruni River	117	September 19, 2010
A-199/008/2000	628/2001	1085	Puruni River	118	September 19, 2010
A-199/009/2000	629/2001	1119	Puruni River	114	September 19, 2010
A-199/010/2000	630/2001	1125	Puruni River	103	September 19, 2010
A-199/011/2000	631/2001	1102	Puruni River	102	September 19, 2010
A-199/012/2000	632/2001	1102	Puruni River	111	September 19, 2010
A-199/013/2000	633/2001	1076	Puruni River	112	September 19, 2010
A-199/014/2000	634/2001	1102	Puruni River	113	September 20, 2010
A-199/015/2000	643/2002	1148	Tamakay	119	October 15, 2009
A-199/016/2000	635/2001	725	Puruni River	138	September 20, 2010
A-199/017/2000	636/2001	910	Puruni River	137	September 20, 2010
A-199/018/2000	637/2001	1029	Puruni River	136	September 20, 2010
A-199/021/2000	639/2001	1011	Puruni River	32	September 20, 2010
A-199/022/2000	640/2001	995	Puruni River	33	September 20, 2010
A-199/023/2000	641/2001	965	Puruni River	34	September 20, 2010
A-199/024/2000	642/2001	958	Puruni River	48	September 20, 2010
A-199/025/2000	643/2001	1024	Puruni River	60	September 20, 2010
A-199/026/2000	644/2001	940	Puruni River	37	September 20, 2010
A-199/032/2000	649/2001	1024	Puruni River	61	September 20, 2010
A-199/033/2000	0644/2002	998	Tamakay	45	September 20, 2010
A-199/034/2000	0645/2002	998	Tamakay	47	October 07, 2009

Table 1: Land Tenure – Medium Scale Prospecting Permits (PPMS)

GS8 Number	*PPMS Number*	*Area (Acres)*	*Location*	*Map Number*	*Renewal Date*
A-199/035/2000	0646/2002	998	Tamakay	46	October 07, 2009
A-199/036/2000	0647/2002	1024	Tamakay	62	October 07, 2009
A-199/037/00	0648/2002	983	Upper Puruni	63	October 07, 2009
A-199/038/00	0649/2002	1140	Upper Puruni	49	October 08, 2009
A-199/039/00	0686/2002	912	Upper Puruni	50	October 08, 2009
A-199/040/00	0687/2002	1072	Upper Puruni	67	October 08, 2009
A-199/041/00	0688/2002	1180	Upper Puruni	89	October 08, 2009
A-199/043/00	0690/2002	1123	Upper Puruni	88	October 08, 2009
A-199/044/00	0691/2002	1098	Upper Puruni	86	October 08, 2009
A-199/045/00	0692/2002	1098	Upper Puruni	84	October 08, 2009
A-199/046/00	0693/2002	1123	Upper Puruni	66	October 08, 2009
A-199/047/00	0694/2002	1123	Upper Puruni	65	October 08, 2009
A-218/001/2001	0678/2002	585	Tamakay	163	October 15, 2009
A-302/001	0672/2003	1120	Puruni River	69	November 05, 2009
A-302/002	0671/2003	1120	Puruni River	140	November 05, 2009
A-218/002/2001	0594/2002	693	Tamakay	144	August 15, 2010
A-225/002/2001	0679/2002	1147	Tamakay	151	September 25, 2009
A-225/000/2001	0681/2002	878	Tamakay	153	September 25, 2009
A-225/001/2001	0680/2002	747	Tamakay	152	September 25, 2009
A-225/003/2001	0682/2002	484	Tamakay	154	September 26, 2009
A-225/004/2001	0683/2002	1150	Tamakay	155	September 25, 2009
A-225/005/2001	0684/2002	1140	Tamakay	156	September 25, 2009
A-225/006/2001	0475/2002	1140	Tamakay	157	July 07, 2010
D-166/000/2004	946/04	1200	Ororiparu	167	December 07, 2009
D-166/001/2004	947/04	1200	Ororiparu	170	December 07, 2009
D-166/002/2004	948/04	1200	Ororiparu	171	December 07, 2009
D-166/003/2004	949/04	1200	Ororiparu	172	December 07, 2009
D-166/004/2004	950/04	1195	Ororiparu	168	December 07, 2009
D-166/010/2004	950/04	1195	Ororiparu	176	January 16, 2010
D-166/011/2004	021/06	1052	Ororiparu	182	January 16, 2010
D-166/013/2004	022/06	444	Ororiparu	177	January 16, 2010
D-166/015/2004	023/06	430	Ororiparu	178	January 16, 2010
D-166/017/2004	024/06	445	Ororiparu	179	January 16, 2010
D-166/018/2004	025/06	1052	Ororiparu	180	January 16, 2010
D-166/019/2004	026/06	1052	Ororiparu	181	January 16, 2010
D-166/005/2004	951/04	1200	Ororiparu	169	December 06, 2009
D-166/006/2004	952/04	1200	Ororiparu	173	December 06, 2009
D-166/007/2004	953/04	929	Ororiparu	174	December 06, 2009
D-166/008/2004	954/04	1196	Ororiparu	175	December 06, 2009
D-166/000/2005	018/06	927	Puruni Head	165	January 15, 2010
D-166/001/2005	019/06	1014	Puruni Head	166	January 15, 2010
D-166/002/2005	020/06	1093	Puruni Head	164	January 15, 2010
D-163/000/2004*	Not Assigned	1052	Ororiparu	183	April 20, 2010
D-163/001/2004*	Not Assigned	1052	Ororiparu	184	April 20, 2010
D-163/002/2004*	Not Assigned	1052	Ororiparu	185	April 20, 2010
D-163/003/2004*	Not Assigned	1052	Ororiparu	186	April 20, 2010
D-163/004/2004*	Not Assigned	1052	Ororiparu	187	April 20, 2010
D-163/005/2004*	Not Assigned	790	Ororiparu	188	April 20, 2010
D-163/006/2004*	Not Assigned	1052	Ororiparu	189	April 20, 2010
D-163/007/2004*	Not Assigned	1052	Ororiparu	190	April 20, 2010

Table 1: Land Tenure – Medium Scale Prospecting Permits (PPMS)

GS8 Number	*PPMS Number*	*Area (Acres)*	*Location*	*Map Number*	*Renewal Date*
D-163/008/2004*	Not Assigned	1052	Ororiparu	191	April 20, 2010
D-163/009/2004*	Not Assigned	1052	Ororiparu	192	April 20, 2010

*These ten parcels of land are subject to applications for the issuance of PPMSs filed by Mr. Daniels. Ownership of PPMSs covering these ten parcels of land is the subject of a dispute between Mr. Daniels and a third party.

Table 2: Land Tenure – Mining Permits (MP)

GS8 Number	*File Number*	*Area (Acres)*	*Location*	*Map Number*	*Renewal Date*
A-4/MP/010//	A-4/MP/000*	1145	Mazuruni	16	April 25, 2010
A-4/MP/011// **	A-4/MP/001*	603	Mazuruni	24	April 25, 2010
A-4/MP/012//	A-4/MP/002*	858	Mazuruni	25	April 25, 2010
A-4/MP/013//	A-4/MP/003*	1098	Mazuruni	23	April 25, 2010
A-4/MP/014//	A-4/MP/004*	992	Mazuruni	6	April 25, 2010
A-4/MP/015//	A-4/MP/005*	1145	Mazuruni	12	April 25, 2010
A-4/MP/016//	A-4/MP/006*	893	Mazuruni	7	April 25, 2010
A-4/MP/007//	A-4/MP/007*	1123	Mazuruni	8	April 25, 2010
A-4/MP/008//	A-4/MP/008*	1117	Mazuruni	11	April 25, 2010
A-4/MP/009//	A-4/MP/009*	1200	Mazuruni	22	April 25, 2010
G-6/MP/000//	G-6/MP/000	960	Turupuru	195	April 9, 2010
G-6/MP/001//	G-6/MP/001	1120	Turupuru	194	April 9, 2010
G-6/MP/002//	G-6/MP/002	996	Turupuru	193	April 9, 2010

*All the identified Mining Permits were reissued as MP#7 through MP#16, inclusive as of April 25, 2004.
** Included within the exterior boundaries of MP 11 are 7 Small Scale Claim Licenses that are known as the Pam 1, Pam 2, Pam 3, Joy 1, Joy 2, Joy 3 and Joy 4 located in or near the Puruni River and as reflected on the records of the Guyana Geology & Mines Commission following verification surveys and review conducted in October, November and December 2007 and as reissued by GGMC in 2008 based on the map plotted by S.L.S., R. McDonald.

Table 3: Land Tenure – Prospecting Licenses

PL Number	*Area (Acres)*	*Expiry Date*
PL 01/2002 GS 14 E-10	11,960	September 18, 2011
PL 02/2002 GS 14 E-09	11,960	September 18, 2011
PL 03/2002 GS 14 E-11	11,986	September 18, 2011
PL 04/2002 GS 14 E-12	10,155	September 18, 2011
PL 05/2002 GS 14 E-13	11,936	September 18, 2011

ETK's Positions of Claim Ownership

<u>PPMSs, MPs, PLs and small scale claims</u>

All mineral tenure in Guyana is owned by the Government of Guyana and is regulated by the GGMC. The Guyanese mineral tenure system is structured to permit four scales of operation. These include small scale claims of 1500 x 800 ft. or a river claim consisting of one mile of a navigable river and are restricted to ownership by Guyanese. PPMSs and MPs cover between 140 to 1200 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 claims. PLs covering between 500 and 12,800 acres are granted to foreign companies. Large areas for geological surveys are granted as Permission for Geological and Geophysical Surveys with the objective of applying for PLs over favorable ground.

ETK acquired the rights to 5 PLs (Table 3-3) on September 18, 2002, from the Government of Guyana; these PLs are held by ETK in its own name. ETK also holds interest in PPMSs, MPs and small scale claims in the Upper Puruni Property through joint ventures with local Guyanese (Alphonso, Daniels and Godettes) who have been issued the various types of claim ownership by GGMC. See "Narrative Description of the Target Business – Joint Venture Interests".

The PPMSs and MPs identified by the prefix "A" in Table 1 refer to permits which are held pursuant to the Upper Puruni Joint Venture Agreement. The PPMSs and the ten parcels of land identified by the prefix "D" in Table 1 refer to those that are held pursuant to the Daniels Joint Venture Agreement. The MPs identified by the prefix "G" in the Table 2, refer to those that are held pursuant to the Godette Joint Venture Agreement.

As indicated above, the rights to the five PLs acquired by ETK from the Government of Guyana, are held directly by and are registered solely in the name of ETK. After renewing the PLs twice, ETK was given permission to continue renewing on an annual basis. ETK has since requested a renewal for all five PLs for a full three year term beginning on September 18, 2008 and has been advised by the Guyana Minister of Mining that the GGMC has agreed to the reissuance and is processing the necessary paperwork for the reissuance. ETK has paid all rentals for the PLs that have come due since GGMC agreed to the reissuance. See "Selected Financial Information and Management Discussion and Analysis of GoldHeart" and "Narrative Description of the Target Business – Joint Venture Interests".

Joint Venture Interests

Upper Puruni Joint Venture

The Target has rights to 145 PPMSs, 10 MPs and 7 small scale claims pursuant to the Upper Puruni Joint Venture. The Toroparu Gold-Copper Prospect is located within MP A-4/MP/011, which is subject to the terms of the Upper Puruni Joint Venture. This claim, along with 9 other PPMS claims were converted by the GGMC into MPs at the request of ETK and Alphonso in 2004, in preparation for mining operation.

The Upper Puruni Joint Venture Agreement stipulates that ETK is the sole operator and has the sole decision-making discretion in all matters pertaining to gold exploration of the property. An in-kind royalty of 6% (the "**Royalty**") is payable to Alphonso on all gold production from the claims subject to the Upper Puruni Joint Venture. ETK has paid Royalty payments to Alphonso since commencing mining operations in 2004 and all Royalties continue to be paid in connection with current mining activities of ETK See "Selected Financial Information and Management Discussion and Analysis of GoldHeart".

The Upper Puruni Joint Venture Agreement also gives ETK the option of purchasing 100% of Alphonso's interest in the Upper Puruni Property for the sum of USD$20,000,000. There are no credits against the USD$20,000,000 option price for royalty or other payments made by ETK to Alphonso.

Daniels Joint Venture

Pursuant to the Daniels Joint Venture, the Target has rights to 19 PPMSs and ten parcels of land for which Daniels has applied for the issuance of PPMSs. Pursuant to the Daniels Joint Venture Agreement, ETK acquired sole operatorship and sole decision-making discretion in all matters pertaining to gold exploration of the lands subject to the Daniels Joint Venture. The Daniels Joint Venture Agreement provides for a payment to Daniels of an annual rental equal to 10% of the total rental payments for claims which are subject to the Daniels Joint Venture and a 1% net profits interest to Daniels with a maximum payment under the net profits interest of USD$50,000.

The issuance of PPMSs for the ten parcels of land included in the Daniels Joint Venture is subject to a title dispute with a third-party. No geologic work, including surface sampling, trenching, drilling, or mapping has been performed on any of the land subject to the Daniels Joint Venture Agreement by the Target or ETK and no material value has been assigned by the Target to these land at this time; for greater clarity, neither the Daniels PPMSs not the ten parcels of land in dispute are evaluated or considered in the Technical Report. See "Selected Financial Information and Management Discussion and Analysis of GoldHeart".

Godette Joint Venture

The Target has rights to 3 MPs pursuant to the Godette Joint Venture. ETK has sole operatorship and sole decision-making discretion in all matters pertaining to gold exploration on the lands subject to the Godette Joint Venture. The Godette Joint Venture Agreement provides for monthly rental payments by ETK and an option to purchase 100% of the claims subject to the Godette Joint Venture for a price of USD$300,000. For greater clarity, the MPs that are the subject of the Godette Joint Venture, are not evaluated or considered in the Technical Report as these MPs were acquired by ETK subsequent to the finalization of the Technical Report. See "Selected Financial Information and Management Discussion and Analysis of GoldHeart".

Rentals and Royalties

All mineral claims in Guyana are renewed annually through payment of annual rentals on the anniversary of the issue date. Rentals on the claims controlled by the ETK are payable annually by the dates indicated in Tables 1 and 2. ETK has been, and will continue to remain responsible for the payment of rentals. All rentals are paid in full for all claims as of the date of this prospectus.

All minerals produced from Guyana mineral claims are subject to royalties of 5% payable in cash or kind to the Government of Guyana.

Environmental Liabilities

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

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

Exploration work within the Upper Puruni Property conducted by the Target/ETK has defined a gold/copper resource on a mining permit designated by the Guyana Survey (GS8 Number) A-4/MP/011. This resource and the area in which it is contained has been previously defined in this prospectus as the "Toroparu Gold-Copper Prospect". ETK developed the Toroparu Pit, a 250 x 200 x 30 meter open pit, during seasonal test mining in 2005 and 2006. These mine workings, a gravity separation mill, 50 person camp, administration buildings, mechanical shop, and airstrip, are all located within the boundaries of the Toroparu Gold-Copper Prospect.

The Upper Puruni Property is ETK's sole resource property/prospect for the years covered by the financial statements of ETK contained in this prospectus. The Toroparu Gold-Copper Prospect is located within the exterior boundaries of the Upper Puruni Prospect and is the Qualifying Property. The area compromising the Toroparu Gold-Copper Prospect is the only area within the Upper Puruni Property on which mineral resources have been defined, and is the subject of the Technical Report. The Target intends to continue to explore for additional resources/prospects within the boundaries of the Upper Puruni Property in the future. See "Narrative Description of the Target Business".

Permits Required to Conduct Exploration Work

The Target 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 Gold-Copper Prospect.

Geographic Location

The Upper Puruni Property is located in the Upper Puruni River Area of north-western Guyana. The geographic location of mining operations is the Toroparu Pit, the main focus of gold mining operations on the Upper Puruni Property, is at 06° 27' North Latitude and 60° 05' West Longitude, corresponding to UTM co-ordinates of 714450 N and 826200 E. The Upper Puruni Property location is shown on Figure 3-1 and the claims area is shown on Figure3-2. Figure 3-3 shows in detail several of the permit claim boundaries that have been converted to MP's over the Toroparu Pit area.

The 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 Pit area. Several GPS surveys have been done 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 Pit. The known mineral zones and mine workings, tailing ponds, ore storage, waste storage and historic alluvial workings are contained on MP A-4/MP/011 (the main Toroparu Pit area) and on MP 08/2004, MP 10/2004, MP 10/2004, MP 12/2004, MP 13/2004, and MP 15/2004 (Figure 3-3). These permit designators are shown on maps in subsequent sections of this prospectus. There are no known environmental concerns on the Toroparu Gold-Copper Prospect.

Figure 3-1: Toroparu Gold-Copper Prospect Location Map from P&E (2008)

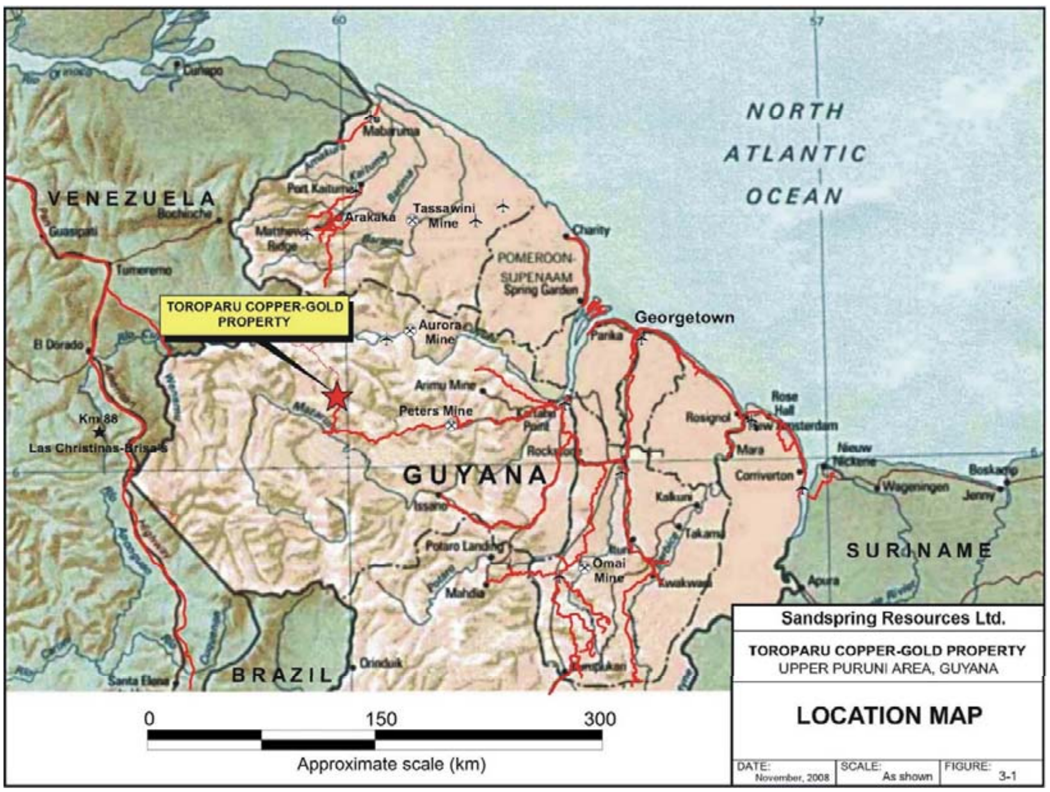


Figure 3-2: Toroparu Gold - Copper Prospect Claim Map updated by GoldHeart (2009)

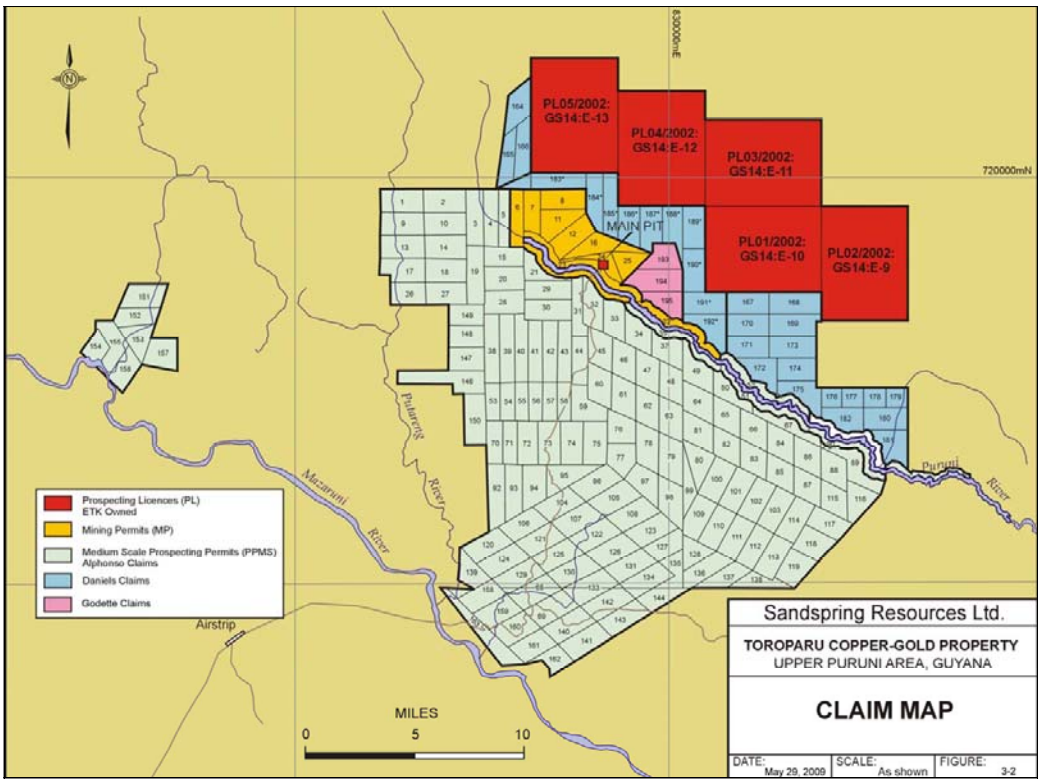
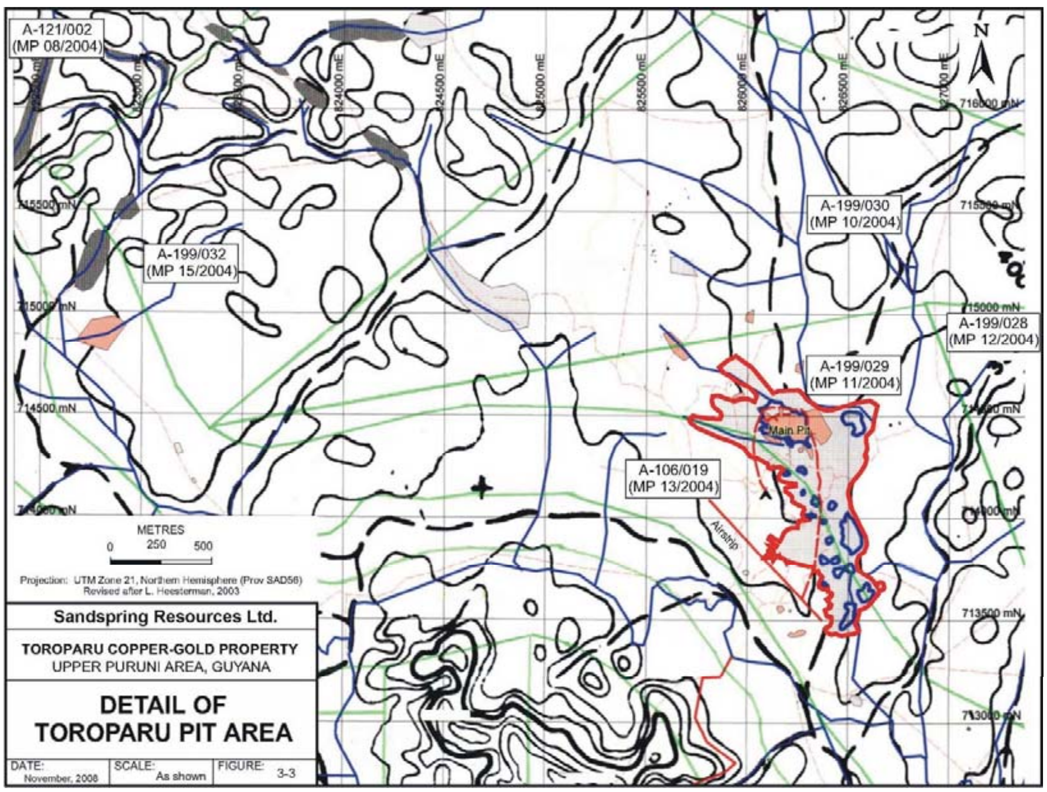


Figure 3-3: Detail of Toroparu Pit Area



Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Upper Puruni Property and the Toroparu Gold-Copper Prospect from Georgetown is via a newly constructed gravel road and the travel time is one day in the dry season from July to April. Minor delays are encountered at Sherima, Itaballi and Peters Mine/Puruni Crossing. A speedboat from Parika to Itaballi can also be used and a vehicle must be used from Itaballi to the Toroparu Gold-Copper Prospect. A one-hour flight by charter aircraft from Ogle airfield in Georgetown is the most efficient means of transport to the airstrip at the Toroparu camp. The Essequibo River is navigable from Georgetown to the river port at Itaballi, for transport of heavy equipment by barge and tug boats.

The Upper Puruni Property and the Toroparu Gold-Copper Prospect are situated in deep jungle and temperatures are in the range of 25^{o} C to 30^{o} C throughout most of the year. A wet season occurs in December to February and a second wet period in May to July may curtail mining operations when flooding occurs and roads become difficult to negotiate. The dry season from July to November is the most advantageous time to carry out exploratory surveys such as geochemical sampling, drilling and geophysical surveys.

Labourers with a variety of experience in heavy equipment operation are available in Georgetown and from villages situated along the rivers. Water for drilling is readily available throughout the year. There is no nearby electricity grid and all power is generated on site by four large diesel generators.

The topography is flat to gently undulating to hilly with a relief of a few hundred meters that is occasionally interspersed with steep hills of meta-basic rock, whereas the metasediments represent flatter topographies. The Toroparu Pit is adjacent to a very gentle valley and the area surrounding the pit has had berms constructed to contain the tailings from past mining operations. Areas for future waste disposal or heap leach pads and potential processing plant sites are readily available in the vicinity of the present operations.

Exploration of the Toroparu Gold-Copper Prospect

<u>History</u>

Historic exploitation of alluvial gold and diamonds in the area of the Toroparu Gold-Copper Prospect, dates back to about 1887. Conolly (1926) described alluvial diamond operations up to about 1914, to the northwest of the Toroparu area. Grantham (1934) described gold and diamond workings in the Majuba Hill and Wynamu areas. The Wynamu River lies adjacent to the Toroparu Pit and is labeled as "Toroparu River" on some older maps.

Pollard and Hamilton created a geological map of the area in 1950 on which the locations of gold and diamond workings were noted. Alphonso carried out alluvial mining at Toroparu during the 1997 to 2001 period. At first, old tailings were mined as was river alluvium, by washing material into a pit with high pressure water jets and then pumping the slurry up to a sluice box. By 1999, much of the alluvial material was exhausted and work proceeded deeper into the underlying saprolite so that the surficial alluvial area was gradually developed into a pit. In 2001, gold mining ceased because the pit became too deep and water laden in the rainy season, and slumping walls became too dangerous. Also, as greater depths were being mined, copper grains became more plentiful in the gold concentrates. This "copper contamination" therefore brought a lower price to the operator for each unit of concentrate. Native copper grains, of up to 30% volume, were reported within the black sand concentrates. Some 15 "land dredges" were employed at the peak of activity in this area. It has been estimated that some 60,000 ounces of gold may have been produced historically over a 70 year period from the Toroparu area.

In 2000, the GGMC carried out regional mapping and geochemical drainage sampling (Heesterman et al 2001) that showed an anomalous gold and copper area in the immediate Toroparu area.

In 2000, ETK entered into an exploration joint venture with Alphonso and acquired additional PPMSs in the Upper Puruni area. At this time, ETK also commenced rehabilitation and upgrading a 200 km access road into the property to facilitate the transport of mining equipment and supplies to the mine site.

ETK carried out initial auger drill sampling in 1999, 2001, and 2003 to the east and west of Toroparu Pit area using a mechanized auger and they also evaluated the possibility of re-working the tailings. This was done by auger sampling, grab and channel sampling of tailings and unworked alluvium. Reports by Hopkinson (1999), Uzunlar (2000) and Shaffer (2000, 2001, and 2003) summarize the available assay data. This work reportedly identified an estimated 1.4 million tons of historic auriferous tailings left behind by previous operators, including 0.9 million tons of higher grade material, estimated at a grade of 1 to 2 g Au/t and located south-easterly of the main Toroparu Pit area. However, there was insufficient data to quantify this estimate as a possible Inferred Resource for the purposes of the Technical Report.

In 2003 and in 2004, Heesterman carried out drainage geochemical sampling in the PL blocks to the north of the Toroparu Pit area and around the Toroparu Pit itself. This work indicates that gold mineralization may extend at least 6 kilometres to the northwest and 1 kilometre to the southeast of the main Toroparu Pit, as indicated by geochemically anomalous areas of copper and gold.

In 2004, ETK commissioned a gravity circuit to test-mine the gold-bearing tailings and saprolite, utilizing a gravity plant based on results obtained from Hazen Research, Inc, then conduct exploration for additional gold sources defined in the GGMC regional geochemical and prospecting survey of the Upper Puruni Property, carried out in 2000, as well as results of the 1999, 2001, and 2003 evaluations that had identified the Toroparu area as highly prospective for gold and copper during this period.

From December 2004 to April 2007 ETK conducted intermittent, seasonal test-mining from saprolite, in the Toroparu Pit using a combination of hydraulic sluicing and a gravity circuit with screens, ball mill, Falcon centrifugal concentrators and shaker tables.

In 2005 and 2006, two phases of trench-channel sampling were completed to determine the tenor and distribution of gold mineralization in the saprolites of the Toroparu Pit area and to determine the suitability for conducting further exploration. This work indicated that a zone of gold mineralization, over an area of about 180 m x 100 m, was present in the saprolitic rock of the Toroparu Pit area with average grades in the general range of 0.5 to 1.5 g Au/t (grams Au per metric tonne), and that this zone was open in all directions. These positive results prompted the proposal to explore the Toroparu Pit area with diamond drilling. Out of this two-phase trench-channel sampling program, a total of 16 trenches have been included in the P&E resource calculation.

ETK carried out auger drill sampling in 2008 to the northwest of the Toroparu Pit area over a 2 km x 3 km area, using a mechanized auger. Nine north-easterly lines of auger samples, spaced 500 m apart, were sampled to 5 m depths at approximately 50 m sample intervals. This survey tested the saprolitic rocks beneath the alluvial cover for gold and copper in an area of historic gold workings that lies within the Toroparu Shear Zone to the northwest of the Toroparu Pit area. Several clusters of elevated gold and copper values and spot anomalies were identified that suggest the possibility of deeper gold-copper mineralization at this locality. It is therefore recommended that this area be drill-tested in the future.

Drilling

The surface mineralized zone, delineated from the trench sampling program, was subsequently drilled by ETK in three phases during the December 2006 to May 2008 period. An initial phase of 13 NQ cored drill holes, comprising 3,480 m, was completed in March 2007. Eleven -50º angle holes tested the sub-surface of the Toroparu Pit area across the north-westerly strike of saprolite strata with either north-easterly (020º - 30º azimuths) directed drill holes or with south-westerly (200º - 220º azimuths) directed drill holes. This phase of drilling indicated that an extensive mineralized volume of fresh tuff strata, with dimensions of about 500 m x 200 m x 200 m, was present beneath the 35-m thick saprolite cover of the Toroparu Pit area. Two holes (325m) were drilled 600 m to the southwest of the open-pit in an area defined as the "**New Cu-Au Pit**" area but these returned negligible Au and Cu results.

A second phase of drilling, comprising 10 NQ cored drill holes, for a total of 3,748 m, was completed in August 2007. These -50^0 angle holes were drilled to depths of 400 m so as to reach a 300 m vertical depth and also drilled across the strike of the saprolites. This phase of drilling expanded the mineralized prism to about 600 m x 300 m x 300 m and a compilation of the results suggest that a main central zone and a second adjacent zone of mineralization are present. The variably mineralized prism is open in all directions and to depth.

A third phase of NQ core drilling was completed over a two month period from April to May 2008. Six drill holes, TPD023 to TPD029 from this phase of drilling are included in the Technical Report (excluding TPD028). The six drill holes total 2,590 metres in length and have further extended the zone of mineralization to approximately 650 metres length, 350 metres width and 415 metres depth. This zone is open in all directions, including to depth, however the intensity of mineralization appears to diminish to the southeast as indicated by the lower average grades in holes TPD010 and TPD011.

The three phase drill program has so far completed 30 NQ diamond drill holes for a total of 10,218.46 metres. Twenty seven holes, totaling 9,492.66 metres, were drilled over the Toroparu Pit. Two holes, TPD012 and TPD013 (324.8 metres), were drilled over the New Cu-Au Pit Area some 600 metres southeast of the collar at TPD010 and TPD011. Hole 14 was lost at 60 meters and re-drilled as TPD014A. Hole TPD028 was drilled outside of the currently defined zone of mineralization, approximately 200 metres northwest of TPD019 collar location. All holes were cored, initially with HQ rods in the saprolite sections and then, with NQ rods in the hard rock sections. All holes were drilled at an azimuth of +/- 30º to the northeast or at +/- 210º south-westerly and inclined at an angle of -50º, with the exception of hole TPD020, which was drilled at a dip of -75º. Recoveries ranged from 70 to 90% in saprolite to 100% in hard rock. All drill holes have been drilled across the strike of the metasediments in the pit and were spaced variously at about 50 metres apart, where possible. The Toroparu Pit area is flooded and inaccessible for drill set-ups.

The varicoloured saprolite units on surface, within the Toroparu Pit area, are represented at depth by a monotonous succession of poorly stratified and poorly sorted green-grey fragmental tuffaceous greenstones beneath the 35-metre thick saprolite horizon. Generally, all holes contain widespread but variably mineralized disseminated gold-copper sulphide mineralization as well as, barren sections, throughout all of the drilled intervals, from topmost saprolite to transitional rocks to fresh rock. Occasional mineralized porphyritic andesitic greenstone intercalations were cored in several holes, as were zones of stockwork quartz-carbonate-sulphide veinlets and sheared epidote-sericite-chlorite-sulphide veinlets.

Weighted assay averages indicate a zonation of mineralization within the tuffs. The controls of mineralization, whether stratigraphic or structural, are not understood at present, because the tuffs are chaotically sorted and stratified with varying dips at surface and in the core. The mineralized zones are inferred as moderately to steeply dipping elongate lenses that are roughly concordant with the regional north-westerly strike of the metasediments. The zones are presently delineated by higher and lower grades of copper and gold rather than by geologic controls. Geological continuity and continuity of mineralization is inferred from drill holes that are angled in opposing directions across the regional strike and from their collar spacing at roughly 50 m intervals. Widths of the mineralized zones are given as apparent widths and, are inferred to be in the general range of actual true widths.

Twenty-seven mineralized drill intercepts have identified a central main zone of primary gold-copper sulphide mineralization in fresh tuffs that is about 650 m long, has an apparent width of about 200 to 220 m and is about 415 m deep. Overall average grades are in the order of +1.0 g Au/t and 0.13% Cu. Higher grade intervals, in the range of +2.0 g Au/t, are present in the in the core areas within this zone which is enveloped by a less well-mineralized envelope of 0.5 g Au/t and lesser values. This zone is open in all directions including depth.

A second, less well-defined, zone of gold-copper sulphide mineralization is indicated by several mineralized drill intercepts. This zone lies northerly and adjacent to the main mineralized zone. This zone is about 650 metres long, has an apparent width of 25 to 100 m and a depth of about 350 m. This zone exhibits similar grades as the main zone and is open in all directions including to depth.

All assays are continuous over the entire cored sections. Assays are weight-averaged utilizing a 0.50 gram per metric tonne cut-off value for gold. Drill hole summaries are given below in Table 5-2, where the average weighted grades of copper and gold are listed for all mineralized intervals in the 27 drill holes used in the resource calculation. The “Domain” column refers to a southerly or northerly mineralized domain i.e the main (southerly) mineralized zone and the adjacent (northerly) mineralized zone. SR and FR refer to “saprolite rock” and “fresh rock” respectively. No distinction is made for transitional rock types and these are consigned to the fresh rock category.

The New Cu-Au Pit Area, 600 metres southeast of the Toroparu Pit, was drilled with two inclined drill holes, TPD012 (203 m) and TPD013 (121.8 m), to the northeast and to the southwest, across the assumed regional strike of the metasediments in this area. Neither hole returned any significant elevated values of copper or gold in the weakly sulphidized greenstone. The 5 m deep pit contains native copper and gold grains within the saprolites, similar to those at the Toroparu Pit, which suggests that deeper gold-copper sulphide mineralization may be present at this locality. This area therefore warrants further drill testing.

Aeromagnetic Survey

A 5 km x 4.5 km high resolution Tri-sensor Magnetic and Radiometric Airborne Survey was conducted over the Toroparu Gold-Copper Prospect in October 2006 in an attempt to elucidate the covered geology and aid exploration. This survey locates the Toroparu Pit area to lie within a magnetically low area just to the south of a large magnetic high area of unknown provenance. More importantly, the radiometric portion of the survey outlined a number of radiometric potassium anomalies, K1 to K19, that are distributed within the Toroparu Shear Zone and that may be of future exploration interest. These anomalies are areas of elevated potassium that may be derived from sericitic alteration in underlying intrusive or volcanic rocks and may contain associated gold-copper mineralization related to the potassic alteration event. Several anomalies coincide with the Toroparu Pit area (K2), the tailings pond (K1) and the airstrip (K2), as well as, the New Cu-Au Pit Area (K12). The tailings pond and the airstrip contain saprolilite and laterite material taken from the shallow portions of the mineralized Toroparu Pit area, which may account for the elevated potassium levels at those localities. The other anomalous areas have yet to be explained and should be tested in future by trenching or drilling because they may be prospective for Au-Cu mineralization.

Geologic Setting

The Guiana Shield, in northern Guyana, is comprised of Paleoproterozoic granites and gneisses and greenstones. This continental craton represents the western part of the Amazon craton which is a dismembered portion of the West African Craton and that contains numerous economically important gold deposits within its greenstone sequences in Guyana, West Africa and Venezuela. Economically important and geologically similar gold deposits, hosted in 2.1 billion year-old metamorphosed greenstone sequences, within sheared structural corridors or belts, occur in West Africa in Ghana in the Ashanti gold belt at Obusai, Bogosu and others; at Las Cristinas and El Callao, in the Kilometre 88 district of Venezuela; and, at Omai, Aurora, Tassawini and other localities in Guyana.

These gold deposits all occur in deformed and metamorphosed greenstones that are made up of sequences of alternating mafic to felsic volcanic and sedimentary rocks that have been intruded and mineralized by granitoid batholiths and stocks.

In Guyana, the 400 kilometre-long, regional Makapa Kuribrong Shear Zone, that transects the shield area as a north-westerly structural corridor, contains the Omai gold deposit in the southeast, as well as the Toroparu Gold-Copper Prospect situated in the northwest.

Geologically, Guyana is divided into a Northern and Southern geological province at 4.5° North Latitude. The Northern Province is composed of late Archean gneissic-granitic terrain to early Proterozoic folded metamorphosed rocks that are 2.2 to 1.9 billion years in age. Continental clastic rocks, along with volcanic flow and volcanic sedimentary sequences, were deposited in basins or grabens and were subsequently indurated by folding and compression into greenstone belts that were in turn intruded by granitoid bodies. This was accompanied or followed by mineralizing events during which quartz and gold-bearing sulphides were deposited at sites that had been structurally prepared by brittle fracturing. In northern Guyana, the Barama-Mazaruni Supergroup of Lower Proterozoic greenstones, metasediments and granitic complexes, are the host to coppergold mineralization at Toroparu and to gold mineralization at other localities, such as Million Mountain, Tassawini and Aurora. These localities have been historically exploited for alluvial gold and they are presently being explored anew by modern methods, such as geochemistry and drilling, for large-scale open pit type gold deposits.

Regional Geology

The regional geology of the Upper Puruni Property and the Toroparu area is described by Heesterman et al, in a 2001 GGMC report of the Upper Puruni Property, as well as in several of Heesterman's internal ETK reports dated, 2003 and 2004, and updated in 2005. These are listed in the References section of the Technical Report. Also, Voicu et al (1999), give a concise description of the greenstone geology of the Omai Area that appears broadly geologically similar to the Proterozoic mineralized lithologies in the Toroparu area.

The Toroparu area claims are situated within a northwest-trending belt of lower Proterozoic Barama-Mazaruni Supergroup greenstones that were deformed and metamorphosed during the Trans-Amazonian tectonomagmatic event at about 2.2 and 1.9 Ga. The greenstone sequence is composed of intercalated successions of felsic to mafic and ultramafic volcaniclastic and volcanic flow rocks, with associated continental clastic sequences. The basal members of this succession are thought to be basalts and associated ultramafic bodies that are overlain by intermediate to felsic volcanic strata and are interlayered with immature clastic sedimentary rocks. Metamorphic grade is greenschist to amphibolite facies.

Calc-alkaline felsic to intermediate intrusives, of batholith size, as well as smaller stocks, are emplaced within the greenstones and are referred to as the Granitoid Complex or Trans-Amazonian Granitoids, (Gibbs and Barron, 1993). These were intruded synchronous to late in the orogenic cycle and range from granite to diorite and tonalite. In the Toroparu area, Older Granitoids and Younger Granites of undetermined age, just north and south of the open pit, are distinguished and inferred from magnetics and trace element geochemistry of saprolite. The younger granites are thought by some authors to be associated with deposition of gold mineralization at a number of localities elsewhere in Guyana. The possible relationship of these younger granitic bodies to gold-copper mineralization at Toroparu is speculative at present. At Toroparu the areas of granitoids are locally strongly affected by shearing and the granitoids are thought to be younger than the metavolcanic greenstones.

There is a broad similarity between the geology of the Omai gold deposit and the Toroparu area. At Omai, a quartz-monzodiorite stock of 2.09 Ga is associated with an earlier quartz-feldspar porphyry of 2.12 Ga, whereas, the gold-bearing quartz vein stockworks cutting the volcano-sedimentary sequence have been dated at 2.00 Ga. The majority of gold occurrences in northern Guyana occur within the Paleoproterozoic Barama-Mazaruni greenstones and the overall distribution of gold appears to be controlled by north-westerly regional structural breaks, such as the crustal scale, late Trans-Amazonian (1.9-2.2 Ga) Makapa-Kuribrong shear zone. At Toroparu, the gold-copper mineralization is situated within the Toroparu Shear Zone. This shear zone may be a subordinate local structure related to the regional Makapa-Kuribrong shear that is also known as the Mazaruni bend line on some maps.

Dominant structural trends are northwest-southeast throughout the Toroparu map area and, the meta-basic bodies, as well as the younger basic bodies, are inferred as being aligned in this direction. The old tailings areas of the historic gold workings are broadly aligned along the north-westerly trace of the Toroparu Shear Zone, that also trends over the older granitoid body to the northwest of the Toroparu Pit.

Property Geology

The bedrock geology of the Toroparu Gold-Copper Prospect is inferred from indirect evidence because the entire area lies within deep jungle that has a deep weathering profile and therefore fresh rock outcrop exposures do not exist. All rock types are altered to saprolite, a mixture of oxidized material and clay. Original compositions and textures of rocks are obscured.

This zone of laterite/saprolite extends typically to a depth of 35 metres in the Toroparu Gold-Copper Prospect, as determined by the recent ETK drilling. Thus, the geology is inferred from boulders at alluvial gold workings or road cuts and pits. Trace element geochemical signatures in stream sediments and heavy mineral concentrates of alluvium and other material have been interpreted to ascertain the likely provenance of bedrock types (Heesterman, 2001, 2003). After the Toroparu Gold-Copper Prospect was taken over by ETK in 2000, ETK carried out auger drilling and pit sampling and road construction in 2003, (Shaffer, 2001, 2003). This work revealed additional geological evidence that was incorporated into the interpretation of underlying bedrock types and their distribution.

The dominant lithology of the map area is undifferentiated Mazaruni Group (2.2-1.9 Ga) metavolcanics and metasediments. Metasediments are usually fine-grained and are metamorphosed to lower greenschist facies. North of the Puruni River, the volcanic rocks are described as variably sheared and metamorphosed, acid to intermediate volcanic with quartz veins that show veining and foliation directions of 110^0 to 140^0. In the northern part of the area, metamorphosed argillaceous and fine-grained arenaceous sediments form quartz-chlorite and mica schists with an east-west foliation in a 2 kilometre-wide belt. Metamorphosed fine-grained sediments outcrop at the headwaters of the Puruni and Putareng Rivers. The general lack of basic rocks and the predominance of andesitic and felsic volcanic rocks with sediments, such as shales and greywackes, indicate that the upper part of the Barama-Mazaruni sequence is widespread within the map area.

Regionally, a northwest-southeast foliation appears to be deflected adjacent to major faults and this foliation is parallel to two stages of quartz veins that are temporally coincident with metamorphism and to later faulting. The Older Basic rocks are metamorphosed to the same degree as the greenstone host rocks and are believed to be minor intrusions rather than flows. Older Granites, south and north of Toroparu, are described as diorite or quartz diorite or granodiorite, from saprolitic rock samples.

Younger Granites (1.94 Ga) occur to the southwest of Toroparu. These granites were intruded after the Trans-Amazonian deformation and are thought to be related to gold mineralization, as yet undetected by ETK's drilling, may be the progenitor of the gold-copper mineralization at Toroparu.

Younger Basic intrusions are predominantly diabase and they have been dated at between 1.54 Ga and 1.84 Ga elsewhere in Guyana.

Thin section descriptions of surface samples of Mazaruni Group rock types include greenschist-facies phyllitic claystones that grade into volcanic sediments of acid to intermediate composition, such as fine-grained feldspar and quartz. Several varieties of rhyolitic tuffs were noted, exhibiting volcanic glass in the matrix. Metamorphosed sedimentary and volcanic rocks frequently display well developed foliation as a result of the alignment of sericite and chlorite which imparts schistose textures. Some lavas of intermediate composition were recognized in thin section, consisting of altered plagioclase with chlorite, epidote and quartz. A specimen of basaltic andesite, exhibiting flow lineation in the groundmass, was sampled. Several samples of silica-rich rock with high iron oxide content suggest a siliceous exhalative origin, as ascertained by previous workers.

The predominant structure in Mazaruni Group rocks is reflected in a north-westerly foliation caused by the alignment of chlorite, sericite, micas and amphiboles that is also prevalent in parallel-oriented quartz veins. This alignment is well exposed in the Toroparu Pit where dips are generally near-vertical. This structural trend has been noted along the Puruni River and can be seen in aerial photos. Heesterman et al (2001) also observed that adjacent to major faults, the bedding and foliation change, and align themselves parallel to the direction of the fault-trend. Most lithological boundaries are thought to be fault controlled. Younger Basic dykes occur along north-easterly faults. It is surmised therefore that the dominant foliation was formed concordant to the geometry of axial planes of folds and was developed during regional folding and, greenschist to amphibolite metamorphism. Variations in strike directions were imparted during later fault movements. North-trending and east-west faults occur throughout the map area, as well as in the Toroparu Pit area. With the exception of the disseminated varieties, gold-copper mineralization at Toroparu appears to be restricted to northwest-southeast oriented quartz veins that are aligned more or less parallel with the foliation in the Mazaruni Group greenstones.

Alteration at Toroparu is thought to be potassic in nature, as interpreted from airborne radiometrics (described in a later section), and as deduced from the geochemistry and mineralogy of saprolite samples, indicating an undetected granitic source that may be associated with the Cu-Au-Ag mineralization. This alteration coincides with the juncture of a north-south fault zone with the north-westerly-trending Toroparu shear zone. Elevated amounts of Au (281-2870 ppb), Ag (276 ppb) and Cu (830 ppm) are common in saprolitic rocks taken from the pit and in the alluvial areas surrounding it. This geochemical signature of major elements may suggest a granitic derivation. Minor element associations are also consistent with a granitic or pegmatitic origin. Heavy mineral concentrates from the pit also show high magnetite contents in the saprolites indicating that magnetite is secondary, having been formed by alteration of the rock. Hematite is also ubiquitous in pit samples along with magnetite, this being a typical association of potassic alteration.

Geology of the Toroparu Open Pit Area

The 250 x 200 x 23 Toroparu Pit is comprised principally of east-west trending purple and brown weathering units of metavolcaniclastics with less extensive green, tan, and yellow units probably derived from metasediments or from mixtures of sediments and volcanics. The saprolite units are delineated by colour as mappable strata whereas, at depth, they are uniformly green poorly sorted tuffaceous metamorphic rocks. The saprolitic rocks, within the pit, trend dominantly at 290º and dip sub-vertically, at moderate to steep angles of +/- 70º towards the north or south.

An alignment of the saprolite stratigraphy is discernible between the units in the Toroparu Pit and those exposed in the trenches located 1200 metres and 550 metres to the west of the Toroparu Pit. The northern portion of the TO6-069 trench contains white kaolinitic saprolite with discrete sub-angular quartz grains reminiscent of a rhyolite. This white unit grades southwards to tan, yellow, brown and reddish terra cotta-coloured saprolite similar in character to the north-south stratigraphic succession that is well exposed in the pit. A stratigraphic continuity of units with unvarying strike, over 1200 metres, is thus possible in the Toroparu area.

Purple and brown units are believed to be derived predominantly from andesitic or basaltic volcanic tuffs and these also may contain subordinate basaltic flows. These hematite-rich units are fine-grained for the most part, but coarse-grained sections, as well as brecciated sections, with igneous clasts, were observed. Several 1 to 2 metre-wide sections, containing parallel and stratigraphically conformable, auriferous quartz veinlets were noted. Average gold grades of 1.17 g Au/t , over 15 m, and 2.20 g Au/t over 20 m, in the west-central part of the pit are representative of such tectonized intervals. Fine grained sections of purple saprolite, devoid of quartz veins, gave base values of 0.48 g Au/t over 50 m, 0.78 g Au/t Au over 28 m and, 0.53 g Au/t over 25 m along the eastern parts of the pit. The brown units are variously fine to coarse grained and may contain sporadic quartz veinlets of up to 1 cm widths, and these are mineralized in the 1 to 2 g Au/t range. The channel samples taken in 2005/2006 were assayed for gold only, whereas, the core samples from the 2006 to 2008 drilling were analyzed for both copper and for gold.

Orange, yellow, red and light brown units represent the same volcanic lithologies but with lesser amounts of oxidized iron. The more intensely coloured units of red and yellow are thought to have been sheared and altered and usually contain elevated levels of gold along with mineralized quartz veinlets. A section of a bench along this orange unit, at the base of the pit, yielded 2.79 g Au/t. Thin 30 to 50 cm sections of orange-red- yellow saprolite are present within the brown and purple units and these are ubiquitously sheared. The green units in the central Toroparu Pit area are andesite feldspar porphyries that may represent metasomatised lithic tuffs or andesitic or basaltic flow rocks. These fine to medium grained volcanics have sheared or faulted contacts, contain auriferous quartz veinlets and fine disseminated and veinlet gold and copper sulphides. The green unit, intercalated with purple, yellow and brown units, in the west-central part of the pit, is sheared and mineralized. At this locality, this unit is an altered andesite feldspar porphyry that was transected at depth, in holes TPD001 and TPD002. Along the eastern pit margins this unit appears as dikes of less than 1 m widths. Gold grades are typically elevated within this unit to values of 2.99 g Au/t over 10 m and 2.18 g Au/t over 8 m in the western and eastern parts of the pit. A section of green and purple saprolite in the central part assayed 2.49 g Au/t over 49 m.

The pale coloured units of yellow, tan and green in the northern part of the pit are likely derived from felsic volcanic rocks and typically contain lesser amounts of gold, usually less than 1 g Au/t g Au/t at surface and at depth.

The 2006 to 2008 core drilling shows the deep fresh rock equivalents of the overlying surficial saprolites are composed of metamorphosed volcanic tuffs that are medium to dark green, fine to coarse- grained, poorly sorted and poorly stratified. All of the cored sections, to depths and widths of 300 m, within and beyond the pit perimeter, exhibit this monotonous homogenous greenstone lithology.

Deposit Types

The salient regional features of shear zone-hosted gold deposits in Guyana are that they occur in Paleoproterozoic greenstones and are distributed within major crustal scale structural breaks, such as the northwest-trending Makapa-Kuribrong shear zone, along which the Toroparu gold-copper occurrence is located. The deposit type presently envisioned at Toroparu, is that of a gold-copper-bearing mineralizing system, hosted within lower Proterozoic Barama-Mazaruni metavolcanic greenstones containing disseminated, stockwork, fracture-filling and shear-related veinlet type styles of sulphide mineralization within a drill-delineated block of 650 m x 350 m x 415 m. This newly discovered zone of gold-copper mineralization is presently outlined by 27 exploratory drill holes and 16 trenches in the open pit area. No intrusive rocks have been identified at Toroparu from drilling or in pit samples. A nearby or deeper-seated intrusive body is surmised however from major and trace element geochemical signatures in stream sediments and heavy mineral concentrates. A number of elevated potassium anomalies, identified in the October 2006 airborne radiometric survey over the Toroparu Gold-Copper Prospect, may also be indicative of near-surface intrusive bodies that contain potassic alteration and possibly associated gold-copper sulphide mineralization.

The style, distribution and host lithologies of sulphide mineralization at the Toroparu Gold-Copper Prospect, resembles that which occur at the Brisas copper-gold deposit in Bolivar State, Venezuela, located some 150 kilometres northwest of the Toroparu Gold-Copper Prospect. The Brisas deposit (484 Mt @ 0.67 g Au/t and 0.13% Cu for 10.4 million ounces gold and 1.3 billion lbs Cu), has been extensively explored since 1992 by Gold Reserve Inc. with 800 exploration drill holes. The mineralization at Brisas has been described in an SEG paper by Channer et al, 2005, and in a 43-101 Technical Report by Addison et al., 2006, for Gold Reserve Inc., and from which the following descriptions are taken. The Toroparu Gold-Copper Prospect is at an early drilling stage. No reference is made by the author of the Technical Report that, that despite the initial similarity of styles of mineralization at Toroparu and at Brisas, that the gold-copper mineralization at Toroparu will be comparable to that at Brisas with respect to geometry, size, grade, extent or volumes of mineralized rock.

At Brisas, the host rocks are deformed and metamorphosed andesitic and rhyolitic lithic tuffs and related sediments of the Caballape formation, as well as a tonalitic intrusive body. All rocks are tilted and metamorphosed to lower greenschist facies. Foliation is parallel to bedding. Four styles of Cu and Au mineralization are present in the Brisas concession and these are characterized by geometry, associated minerals and Au/Cu ratio (Addison et al., 2006). These zones are the Blue Whale body, disseminated gold+pyrite+/-Cu, disseminated high Cu, and shear-hosted Au. The Blue Whale mineralized body is a cigar-shaped, plunging feature, 20 m in diameter that carries the highest Au and Cu grades. The bulk of the ore occurs as disseminations in lensoid bodies in tuff units consisting of auriferous pyrite and narrow 1-2 cm quartz-carbonate-gold veinlets with typical grades of 0.7 g Au/t and low Cu values (Channer et al, 2005). The Au in the stratiform lenses is highly disseminated but only roughly associated with abundant pyrite. Mineralized rock contains about 2 to 5 percent sulphides and widespread epidote-carbonate alteration with gold occurring as free grains in quartz and as grains and fracture fillings in sulphides. Stratiform lenses of high Cu +/- Au underlie the Au + pyrite lenses and plunge along the bedding foliation in a manner similar to the Blue Whale body with high Au/low Cu lenses. Shear-hosted gold occurrences are emplaced above the larger lenses of disseminated Au mineralization that make up the bulk of the resource and these Au occurrences correlate well with chalcopyrite content, though Cu grades are sub-economic. Copper-gold mineralization, in discrete zones and in disseminated lenses, occurred prior to the main phase of disseminated gold mineralization, which was syndeformational.

At Toroparu, disseminated pyrite, chalcopyrite and subordinate bornite, chalcocite, covellite, cuprite and native copper grains occur together with gold-copper mineralization similarly to the mineralization styles described at Brisas. The disseminations are in discrete blebs and grains and occasional sulphide-filled hairline fractures. Elevated copper values of 0.1 to 0.4% generally exhibit elevated gold values in the range of 2.0 grams to 5.0 grams per tonne. Quartz-carbonate-pyrite +/-chalcopyrite veins are infrequent but may contain enhanced copper values. Although several drill holes begin and end in mineralization, a zonation of mineralized and barren greenstone is beginning to emerge, particularly in the south-eastern part of the mineralized corridor. Quartz-carbonate-pyrite-gold veinlets of mm to cm widths, with or without copper, typically occur near fault planes, as do stockworks of these vein types. The styles of mineralization and their genesis of amalgamation into bodies of potential ore-grade rock at Toroparu are poorly understood and speculative at the present.

Mineralization

Historic gold workings are distributed over a 7 km x 1.2 km northwest-trending corridor as described by Heesterman (2003). This zone of gold mineralization is roughly coincident with the Toroparu Shear Zone .

The zone extends from east of the Toroparu Pit and extends some 6 km north-westerly along a strike of 300º, as outlined by Heesterman's geochemical survey. Regional geochemical sampling by the GGMC, including rock samples, saprolite samples and stream sediments taken along drainages and at alluvial mining sites show that elevated values of gold, of up to 12 g Au/t, but, more typically of up to 1 to 3 g Au/t are present in the greater Toroparu area. Past fieldwork indicates that some of the alluvial gold was derived from potassic-altered granitic rocks as well as being derived from quartz veins in greenstones, as seen in float boulders. Maximum values within the pit are 22 g Au/t and 900 ppm Cu from purple saprolite with quartz veinlets. Within the immediate Toroparu Pit area, Heesterman's bulk leach extractable gold sampling of pit feed yielded elevated values of Au (1.4 ppm), Ag (0.27 ppm) and Cu (894 ppm) with elevated amounts of trace elements, including Bi (14 ppm), Mg (0.23%), V (184 ppm), Sc (36 ppm), Rb (150 ppm), W (6 ppm), As (3-5 ppm), Mo (1-3 ppm). Heavy mineral concentrates from the pit showed hematite, magnetite and rutile in the black sands. East of the pit, gold and native copper grains were recovered from saprolite by Shaffer (2000) from samples of 6 metre-deep auger holes.

In the Toroparu open pit, gold mineralization is most prominently associated with thin gold-bearing quartz veinlets in purple and brown saprolite units. The veinlets, containing free gold, are white to clear and occasionally black, from included tourmaline, and are typically 0.5 cm to 1.0 cm thick and several decimeters long, where they can be observed in outcrop. They are enveloped by sericite and chlorite skins and sparse limonite. Grab samples, taken by previous geologists, returned gold values in the 1.0 to 5.0 g Au/t range with a high value of 12.0 g Au/t. Past workers have reported higher values of several tens of grams per tonne Au and vein thicknesses of several centimeters. Mineralized quartz veins occur singly and in parallel swarms. They have been observed in pit exposures over several metre lengths within 1 to 2 metre-wide zones. Vein densities vary. A one metre-wide quartz vein zone might exhibit some 10 veins for example, or single veins may occur every 30 to 50 centimetres across the width of the zone. The azimuths of the auriferous veins usually vary little from 270 to 300 degrees.

Past work by Uzunlar (2000) indicates that three types of quartz veins may be present in the Toroparu Pit area. In addition to the parallel quartz veins some quartz veins appear to be folded, or have formed along old folded bedding planes where they typically dip to the southwest. The thin, closely spaced quartz vein sets that are parallel to the foliation, are the main gold-bearing type and these appear to represent about 75% of the total vein types within the pit. Some semi-horizontal or gently northeast-dipping veins are displaced by other veins, and are thought to be older. Rare, northeasterly-oriented and northeastdipping veins have a similar orientation to some airphoto lineaments. Quartz veins can vary from 1 to 2 mm to 0.5 to 1.5 cm and 5 to 10 cm in thickness. All rock types carry quartz veins, but they are most prominently observed in the purple and brown units which also contain the highest gold grades.

The quartz vein sets are thought to be related to brittle deformation of the volcaniclastics within fold flexures and also to zones of shearing. Quartz vein sets were noted most abundantly in coarse grained purple or brown saprolite of either volcaniclastic or granitoid derivation. Quartz veinlets usually accompany shears or faults that are exemplified by distinctive orange-red-yellow metre-wide intervals in the purple or brown units of the western and central parts of the Toroparu Pit area. Limonite stringers can are often discerned in the wall rock saprolite in which the quartz veins occur. Cross-cutting veinlets, typical of well developed stockwork structures, were not observed. In the south-central Toroparu Pit area, numerous black quartz veins appear to be coloured by black tourmaline inclusions, rather than by manganese. The gold content of quartz veined sections typically returned average grades in the 2 to 5 g Au/t range over 5 metre sections of channel samples.

The green andesitic feldspar porphyry unit in the central Toroparu Pit area also contains elevated levels of gold mineralization. An outcrop of green porphyry, at the western edge of the pit, slightly more resistive than adjacent brown-purple units, trends towards the eastern edge of the pit manifesting itself as a series of andesitic dikes. Gold content in the green porphyry assayed 2.99 g Au/t over 10 m in channel samples of this outcrop. A 35 m wide section of green and purple strata returned 2.49 g Au/t from the central trench in the pit. In comparison, the brown units, with relatively sparse quartz veins, enclosing the green saprolite, yielded lesser grades of 1.03 g Au/t over 25 m and 1.44 g Au/t over 35 m at the western pit extremity. The quartz-veined purple unit, situated south of the main green unit, returned 2.20 g Au/t over 20 m.

Gold is also present as free disseminated grains in saprolite that is devoid of quartz veins. This mode of occurrence suggests that the gold may have been originally encapsulated in disseminated sulphide blebs or in hairline fracture-coatings that are now oxidized and clay-altered. Gold content in saprolite devoid of quartz veins typically returned less elevated, but significant, gold grades of 0.5 to 1.5 g Au/t.

Trench sampling of continuous channels across the strike of foliation of saprolite units in October 2005 and March 2006 has outlined a principal zone of gold mineralization that is 180 m long and, from 95 m to 120 m wide, and that is enclosed by lower grade zones to the north and south, see Figure 6-6. An aggregate weighted average grade of 1.64 g Au/t over 95 m, true width, is present at the western extremity of the pit. An aggregate weighted average grade of 1.17 g Au/t over 120 m, true width, is present at the eastern pit extremity. The main mineralized zone encloses intervals of 1.91 g Au/t over 65 m at the western pit margin; 1.87 g Au/t over 65 m in the central Toroparu Pit area, and, 1.42 g Au/t over 58 m at the eastern pit margin, as determined from the 15 trenches in saprolite of the Toroparu Pit area.

The core drilling of 2006-2008 has shown that the Toroparu Pit area is underlain by a poorly sorted succession of tuffaceous andesitic greenstones that contain ubiquitously distributed sulphide gold-copper mineralization from surface to the deepest drilled depths of about 415 vertical metres. The predominant style of mineralization is fine to coarse grained disseminations of sulphide blebs, comprising pyrite and chalcopyrite with subordinate amounts of chalcocite, bornite, cuprite, covellite and native copper. The sulphide content of the core is usually less than about 3%. The range of gold-copper values varies from high grades of 1.29 g Au/t and 0.28% Cu over 303 drilled metres (including 138 m of 2.07 g Au/t and 0.48% Cu from 191 m to 329 m) in hole TPD004, to a low grade of 0.18 g Au/t and 0.08% Cu over 24 drilled metres in hole TPD009. This range of values is generally representative of the tenor of mineralization at Toroparu.

Subordinate to the widespread disseminated mineralization are quartz-carbonate-sulphide veinlets of mm to cm in width, sulphide-coated fractures, sheared veinlets of quartz-carbonate–sulphide-sericite and stockwork quartz-sulphide veinlets that generally carry enhanced Au values of 2.0 to 5.0 g Au/t or more, and Cu values of better than 0.1% Cu. Silver values are also present sporadically, as is rare molybdenite and tourmaline. The pyrite and chalcopyrite veinlets are typically enveloped by epidote, chlorite and sericite.

Sampling Method and Approach

All sampling of drill core, for both phases of drilling, was supervised by Dr. A. Kemp, project geologist. This work is carried out on site in a specially constructed core logging and core storage facility near the open pit. The core storage is housed in a large industrial steel container with wooden core racks that can be secured with locks. Adjacent to the core storage, long core logging tables, with fluorescent lights and a diamond saw area, facilitate core logging and sample processing.

The core is first cleaned, labelled and tagged and then photographed in three box batches for reference. The core is marked in 1 metre or 1.5 metre lengths and these are then split. HQ saprolite samples are split with a knife and the NQ hard rock core is sawn in half with a diamond saw. Half of the core is put in marked sample bags with an appropriate tag. The other half is placed in the core box for logging and storage. Ten samples are placed in rice sacks which are then labeled, weighed and marked for weekly air transport to Acme Analytical Laboratories ("**Acme**") in Georgetown.

After every tenth sample, standards, duplicates and blanks are inserted into the sample stream. Sawn quarter core samples were inserted after every 20th sample as duplicates. Blank samples of known barren rock were inserted with the standards.

The core was sampled in 1.0 and 1.5 metre intervals in a continuous fashion throughout each drill hole from the topmost saprolite sections to final depths in greenstones. This approach ensured that the fine disseminated nature of the sulphides was adequately sampled and assayed over the entire core length.

The specific gravity of greenstones was determined by Acme from a number of core samples to be 2.73. The specific gravity value for saprolite at Toroparu is taken to be in the range of 1.7 to 2.0 which is consistent with the specific gravity values at other gold exploration projects in Guyana.

There are no obvious drilling, sampling or recovery factors that would impact the reliability of the samples.

Sample Preparation, Analysis, and Security

<u>**2005 and 2006 Trench Samples**</u>

The trench-channel samples taken in 2005 and 2006 were sent to ALS Chemex Laboratories ("**Chemex**"), an ISO 9002 certified laboratory in Vancouver for analysis. For samples taken in 2006, every tenth sample was duplicated in the field and the duplicate sample was submitted to Loring Laboratories, a non-certified laboratory in Georgetown for analysis. Also, for the 2006 samples, every tenth sample pulp was split by Chemex and sent to Acme Analytical Labs, an ISO 9001:2000 certified laboratory in Vancouver for check analyses.

The 2005 trench samples were analyzed for gold only by fire assay at Chemex. These samples are dried and the entire sample is crushed to better than 70%, -10 mesh. A 250 gram split is taken and pulverized to better than 85%, passing – 200 mesh. Gold values are obtained by fire assay on a 30 gram aliquot and analyzed by atomic absorption spectroscopy. This method yields gold analyses in the range of 0.005 to 10.0 g/t.

The 2006 trench samples were analyzed at Chemex using the metallic screen (also known as metallic sieve or metallics) method which is used when a nugget problem is suspected. The metallics method determines the amount of gold in the coarse and fine fractions. A 1,000 gram portion of the final prepared pulp is passed through a - 150 mesh stainless steel screen to separate the oversize fractions. Any + 150 mesh material remaining on the screen is retained and analyzed in its entirety by fire assay with gravimetric finish and reported as the Au(+) fraction result. The -150 mesh fraction is homogenized and two sub-samples are analyzed by fire assay with AAS finish. The average of the two AAS results is taken and reported as the Au(-) fraction result. All three values are used in calculating the combined gold content of the plus and minus fractions. The gold values for both the +150 and -150 mesh fractions are reported together with the weight of each fraction as well as the calculated total gold content of the sample.

Samples that were analyzed using the metallics method demonstrated a 20% higher gold content than the regular fire assayed samples.

2006 and 2007 Diamond Drill Core

All drill core samples were prepared under the supervision of Dr. Andrew Kemp, project geologist for the 2006/2007 Phase I & II drilling at Toroparu. He was assisted by two trained helpers who split, bagged and prepared the sample batches.

The core samples are stored at the Toroparu camp in a locked steel shipping container and are transported by air to Georgetown where ETK personnel take delivery and then transport them to Acme in Georgetown.

At Acme in Georgetown, the samples are dried and the entire sample is crushed to better than 70%, passing -10 mesh. A 1000 gram split is taken and pulverized to better than 85% passing -200 mesh. The pulps are sent to Acme in Vancouver where they are analyzed for gold and copper.

All samples were analyzed at Acme using the metallics method, which is the same procedure as described above for Chemex.

The samples analyzed by the metallics method at Acme also showed a 20% higher gold content than the regular fire assayed samples. The check assays on blanks and duplicates were done at Actilabs, an ISO 9001 and ISO 9002 certified laboratory in Ontario. These results were in close agreement.

The sample preparation procedures, security and analytical procedures carried out at the Toroparu Mine site and at the various analytical laboratories are all in accordance with industry best practices and accepted industry standards.

Data Verification

Site Visit and Independent Sampling

The Toroparu Gold-Copper Prospect was visited by Antoine Yassa, P. Geo. on September 11 and 12, 2008. Data verification sampling was done during the visit by taking ¼ splits of the remaining half core, with a total of 12 samples taken from 6 holes. The samples were then documented, bagged, and sealed with packing tape and were sent by courier to the office of P&E in Brampton, Ontario and from there were forwarded by courier to SGS Mineral Services in Toronto, Ontario for analysis.

At no time, prior to the time of sampling, were any employees or other associates of ETK advised as to the location or identification of any of the samples to be collected.

Quality Control Program

ETK instituted a thorough quality control program with the addition of certified reference materials (standards), blanks and field duplicates to the sample stream. An evaluation was completed on the results which are presented in the following sub-sections.

Certified Reference Materials

ETK inserted two certified reference materials into the sample stream, which monitored accuracy at the lab for gold and copper. The grades of the standards were 0.31 g/t Au, 0.33% Cu, and 0.84 g/t Au and 0.74% Cu. There were a total of 138 data points for both standards. Six data points failed out of 138 (4.4%) for Au, however on closer inspection there was only 1 true failure considered and dealt with, as all other failures occurred in certificates with Au values lower than detection limit or below the resource cut-off grade. There were no failures for Cu.

The lab was contacted to request re-analysis for Au for the 11 samples based on the failure of the standard, however coarse rejects had not been retained, and there were only pulps available. Due to the fact that the Toroparu samples were all analyzed using the metallic seive method, it was felt that re-analyzing the samples using pulps would not yield similar results at all, and no action was taken.

Blanks

A total of 355 blanks were added into the sample stream. Blank material was sourced from an outcrop of diabase intrusive, located approximately 1 kilometre south of the mineralized area. Of the 355 blanks, there were 3 values greater than the threshold of three times the detection limit for gold, (0.1%). Of the three failures, two were estimated to be misallocations (standard inserted erroneously) and the third contained below detection limit values in the fine fraction. The coarse fraction had been assayed to extinction and no action was taken.

All values for Cu were above three times the detection limit, which was 0.00015%. The average value was 0.025% Cu and there was one value at 0.125% Cu. It is obvious that the diabase outcrop used for the blank material has higher than normal background values for Cu. The average grade for Cu in the deposit is 0.16%, the likely cut-off grade in the range of 0.08% Cu and all the blank values with the exception of one were well below these values. No action was taken.

Field Duplicates

There were 351 field duplicate pairs created by taking ¼ splits and comparing them to the ½ core. A scatter plot was created comparing the results for Au and Cu. As can be expected in a deposit with nuggety gold (large proportion of gold contained in the +150 mesh fraction compared to the -150 mesh fraction), the scatter plot demonstrated very poor precision on the duplicate pairs. The different sample weights of ¼ core versus ½ core exaggerated the difference.

Copper demonstrated poor to medium precision on the field duplicate pairs as well, which is a little unusual, as it is generally evenly distributed in most deposits.

Pulp and coarse reject pairs were not routinely analyzed, and therefore precision could not be calculated on pairs from all three sub-samples.

It is the author's opinion that the quality control program implemented to monitor accuracy, contamination and precision at the lab was satisfactory and has produced a robust data set for the Resource Estimate.

Adjacent Properties

There are no properties of merit situated immediately adjacent to the Upper Puruni Property. The nearest property considered of relevance is the Peters Mine Property, which is situated 100 km east of the Upper Puruni Property, and is currently being explored by Guyana Goldfields Inc. This Peters Mine Property reportedly produced 42,000 ounces of gold between 1905 and 1916. The geological setting at Peters Mine, as described by Cargill and Gow in a 43-101 technical report dated January 2004, is very similar to the geological setting at Toroparu. The Peters Mine property is at a more advanced stage of exploration than Toroparu, however, and the details of gold mineralization described at Peters Mine may be dissimilar to that at Toroparu.

The Peters Mine Property is underlain by greenstones, volcaniclastic sediments and intrusives of the Barama-Mazaruni Supergroup that are locally, unconformably overlain by conglomerates and sandstones of the mid-Proterozoic Roraima Supergroup. A broad shear zone is present, as at Toroparu. The host rocks at Peters Mine are clay-rich sandstones. In the main zone primary gold mineralization occurs in quartz veins with sericite alteration envelopes. Most of the gold is free, similar to Toroparu, and geological ore controls are not understood at present. However, it is known that gold mineralization is structurally controlled and epigenetic. Gold may be present in veins or in distinct wallrock alteration zones. Pyrite and arsenopyrite are the main sulphide species at low metamorphic grades. Wallrock alteration forms a zoned halo 0.2 to 200 metres wide.

Alteration is related to potassium, oxygen, sulphur and carbon dioxide metasomatism. Subtle distal potassium and carbon dioxide metasomatism can be explored using alteration indices and trace element distribution. Trace elements include silver, arsenic, boron, bismuth, molybdenum, lead, antimony, tellurium and tungsten. There is typically a low base metal content associated with gold mineralization.

Resources on the Peter Mine Property were estimated by Cargill and Gow to consist of 420,000 tonnes of tailings materials with a grade of 1.9 g Au/t and a further total estimated resource of 353,000 tonnes of less well defined tailing plus saprolite material at a grade of 2.8 g Au/t.

The Technical Report states that the information regarding the mineralization on the Peters Mine Property has not been verified and is not necessarily indicative of any mineralization that may be present on the Toroparu Gold-Copper Prospect that is the subject of the Technical Report.

Mineral Processing and Metallurgical Testing

There is no record of any metallurgical testing or mineral processing by Sandspring on the Property. In 2002 ETK commissioned Hazen Research Inc. ("**Hazen**") to evaluate the gold recovery potential of Toroparu tailings. A composite sample, of 17 x 5-gallon buckets of tailings with a calculated head grade of 3.28 g Au/t and weighing 370 kg was tested by Hazen utilizing a combination of rod mill tumbling, heavy liquid separations, cyanide leach tests and froth flotation tests. The aim was to determine if gold could be economically recovered from the tailings by the ETK gravity circuit, installed at Toroparu by a variety of mining/milling options.

Results of this testing indicated that the Falcon concentrators at Toroparu recovered 38.2% of gold in the tailings and that this represented 54.1% of the gold in the feed to the concentrator. Hazen noted that gold was present as "micro-nuggets" in sizes ranging from less than 25 microns up to 500 microns in the longest dimension. Coarse gold was noted in several of the products, including the unprocessed screen oversize, and in the Falcon tailings where one piece of 500 microns was locked in quartz. Some of the gold appeared tarnished. Untarnished varieties were very yellow, indicative of high purity. This was confirmed by the gold assay of the button from amalgamation of the first Falcon concentrate which returned 89.4% Au and 9.9% Ag.

Significant locking of gold in quartz and in iron oxides was observed, even in the very fine sizes of minus 100 mesh. Because of this locking, no more than 50% of the gold in the tailings was thought to be recoverable by gravity separation without grinding. With additional grinding the recoveries could be elevated perhaps to 60% or 70%.

Higher recoveries, to 90%, could be obtained by a combination of grinding to 100 mesh and gravity separation in closed circuit with grinding, followed by either froth flotation or cyanidation.

In 2003 ETK submitted a composite sample of saprolite, weighing 150 kg and with a calculated grade of 2.80 g Au/t, to Hazen Research for testing. The sample was composited from 81 samples taken within the pit, and was submitted to determine the amenability of the saprolite to gold recovery by gravity concentration and froth flotation. The test by Hazen showed that with minus 100 mesh grinding and gravity concentration, up to 80.1 % of the gold can be recovered in a concentrate containing 1.79% of the weight and assaying 87.6 g Au/t.

With froth flotation of the gravity tailings, the recovery increased to 93.9% of the gold in 5.87% of the weight and a grade of 35.2 g Au/t. This test indicates that 2.24 grams of a total of 2.8 grams of gold is theoretically recoverable.

ETK has carried out test-mining of the saprolite from the pit intermittently since 2004, principally during the dry season (the pit floods during the wet season and requires 1.5 months to de-water) but, has to date, never achieved recoveries of more than about 18%.

The low recoveries are attributed to of the predominance of fine, micron-sized gold flakes and the high viscosity of the saprolite ore slurries. The combination of high slurry densities with fine gold makes gravity capture of gold very inefficient.

Previous sampling (2006) of ore slurries that were being mined by ETK in October 2005, yielded average grades of 2.58 g Au/t. Tailings samples, taken during the same time interval as the ore slurries were being processed returned 2.13 g Au/t. This indicates a significant gold loss in the concentrator plant, but also a significant gold accumulation in the tailings pond.

During the period of November 19, 2005 to February 28, 2006 accurate production records were kept by ETK of saprolite ore processing in through the pilot gravity separation plant (Shaffer, 2006). A total of 59.625 kilograms or 1,917 ounces of gold were recovered from 199,297 metric tonnes of saprolite ore for a calculated recovered grade of 0.30 g Au/t. A weighted average grade of 2.64 g Au/t was determined from hourly pit-head grade samples that were composited daily, and analyzed at Loring Laboratories in Georgetown. Thus the calculated recovery rate of the gravity circuit is 11%. Metallics assays performed by Loring Labs show that 8.5% of the gold values are in the +150 mesh size fraction.

In February 2006 R. Hyyppa, P.E., consulting mining engineer to ETK, conducted an analysis of the gravity separation procedure at Toroparu by testing the addition of a flotation circuit to improve gold recoveries (Hyyppa, 2006). All flotation concentrate samples were assayed for metallics at Loring Laboratories. This test indicated that 99.5% of the gold in the concentrate occurred in the -150 mesh fraction and that between 49% and 95% of the gold was theoretically recoverable by flotation. In one case, 95% of the gold was recovered into a 3.5% weight-concentrate when operating with tailings from the Ball Mill Falcons. A flotation concentrate assaying about 3.8 g Au/t was achieved from feed that assayed about 1.44 g Au/t; tailings assayed 0.10 g Au/t. In a second case, about 49% of the gold was recovered into a 2.6% weight-concentrate when operating with tailings from the Screen Falcons. A flotation concentrate assaying about 18.5 g Au/t was achieved from a feed that assayed about 3.6 g Au/t; tailings assayed 2.01 g Au/t. This pilot plant test indicates that gold recovery can be substantially improved with flotation from the gravity tailings and that more tests should be conducted to refine these results

Mineral Resource and Mineral Reserve Estimates

Introduction

The following estimate of the Mineral Resources of the Toroparu Gold-Copper Prospect (the "**Resource Estimate**") is in compliance with NI 43-101 and CIM standards. The resource estimate was undertaken by Mr. Eugene Puritch, P.Eng. and Mr. Antoine Yassa, P.Geo., of P&E Mining Consultants Inc. of Brampton Ontario. The effective date of the resource estimate is October 26, 2008.

Database

All drilling data were provided by Sandspring in the form of text and Excel files. Fourteen (14) drill cross sections were developed on a UTM grid looking Northwest on an azimuth of 297 degrees at a 50 metre spacing named from 1,450-NW to 2,100-NW.

A Gemcom database was constructed containing 23 surface trenches and 30 diamond drill holes of which 16 surface trenches and 27 diamond drill holes were utilized in the resource calculation. All remaining data in the database were not in the areas that were modeled for the resource estimate.

The database was verified in Gemcom with minor corrections made to bring it to an error free status. The Assay Tables of the database contained 7,176 Au assays. Data are expressed in metric units and grid coordinates are in a UTM system.

Data Verification

Verification of assay data entry was performed on 6,824 assay intervals with a few very minor data entry errors observed and were subsequently corrected. The 6,824 verified intervals were checked against digital assay lab certificates from Acme. Constrained and unconstrained checked assays represented 98.32% of the data to be used for the resource estimate and approximately 98.6% of the entire database.

Domain Interpretation

The Toroparu domain boundaries were determined from lithology, structure and grade boundary interpretation from visual inspection of drill hole sections. Four domains were created named Fresh Rock South, Saprolite South, Fresh Rock North and Saprolite North. These domains were created with computer screen digitizing on drill hole sections in Gemcom by Technical Report Authors. The outlines were influenced by the selection of mineralized material above 0.5 g/t Au in Fresh Rock and above 0.29 g Au/t in Saprolite that demonstrated a lithological and structural zonal continuity along strike and down dip. In some cases mineralization below 0.5 g Au/t and 0.29 g Au/t was included for the purpose of maintaining zonal continuity. Smoothing was utilized to remove obvious jogs and dips in the domains and incorporated a minor addition of inferred mineralization. This exercise allowed for easier domain creation without triangulation errors from solids validation.

On each section, polyline interpretations were digitized from drill hole to drill hole but not typically extended more than 50 meters into untested territory. Minimum constrained true width for interpretation was 2.0 metres. The interpreted polylines from each section were "wireframed" in Gemcom into 3-dimensional domains. The resulting solids (domains) were used for statistical analysis, grade interpolation, rock coding and resource reporting purposes.

Rock Code Determination

The rock codes used for the resource model were derived from the mineralized domain solids. The list of rock codes used is as follows:

Rock Code	Description
0	Air
10	Fresh Rock South Domain
15	Saprolite South Domain
20	Fresh Rock North Domain
25	Saprolite North Domain
99	Waste

Grade Capping

Grade capping was investigated on the raw assay values in the databases within the constraining domains to ensure that the possible influence of erratic high values did not bias the database. Extraction files were created for the constrained Au data. From these extraction files, log-normal histograms were generated.

Composites

Length weighted composites were generated for the drill hole data that fell within the constraints of the above-mentioned domains. These composites were calculated for Au over 1.5 metre lengths starting at the first point of intersection between assay data hole and hanging wall of the 3-D zonal constraint. The compositing process was halted upon exit from the footwall of the aforementioned constraint. Un-assayed intervals were set to ½ assay detection limit values. Any composites that were less than 0.50 metres in length were discarded so as not to introduce any short sample bias in the interpolation process. The constrained composite data were transferred to Gemcom extraction files for the grade interpolation as X, Y, Z, Au, Cu files.

Variography

Reasonable directional variograms were attained for the South Fresh and Saprolite domains for all axes for Au and omnivariograms for Cu. The North domain populations were too small to yield any discernable variograms. All variography was developed from constrained domain composites.

Bulk Density

The bulk density used for the creation of a Fresh Rock density block model was derived from 12 site visit samples taken by Antoine Yassa, P.Geo. The average fresh rock bulk density was calculated as 2.73 tonnes/m3 while the Saprolite bulk density was estimated at 1.8 tonnes /m3.

Block Modeling

The Toroparu Gold-Copper Prospect resource model was divided into a block model framework containing 7,436,000 blocks that were 5m in X direction, 5m in Y direction and 5m in Z direction. There were 260 columns (X), 260 rows (Y) and 110 levels (Z). The block model was rotated 63 degrees counter clockwise. Separate block models were created for rock type, density, percent, Au and Cu.

The percent block model was set up to accurately represent the volume and subsequent tonnage that was occupied by each block inside the constraining domain. As a result, the domain boundary was properly represented by the percent model ability to measure infinitely variable inclusion percentages within that domain.

The Au and Cu composites were extracted from the Microsoft Access database composite table into separate files. Inverse distance cubed interpolation was utilized for all elements. The first grade interpolation pass was utilized for the Indicated classification while the second was for the Inferred classification.

Resource Classification

During the Toroparu classification interpolation search ellipsoid passes 167,903 grade blocks were coded as Indicated and 153,554 as Inferred. All classifications were determined from the Au search ellipsoid passes.

Resource Estimate

The Resource Estimate was derived from applying AuEq cut-off grades to the block model and reporting the resulting tonnes and grade for potentially mineable areas. The AuEq grades in the block model were calculated as follows:

Au Price = USD$688/oz	(Aug 31/08 36 mo. trailing avg.)	Au Recovery = 90%
Cu Price = USD$3.13/lb	(Aug 31/08 36 mo. trailing avg.)	Cu Recovery = 75%

Therefore, the AuEq = [[($USD3.13 x 22.046 x 75%)/(USD$688/31.1035 x 90%)] x Cu%] + Au g/t

The following calculation demonstrates the rationale supporting the AuEq cut-off grades that determines the open pit potentially economic portions of the mineralization.

Saprolite Open Pit AuEq Cut-Off Grade Calculation USD$

Au Price	USD$688/oz (36 mo. trailing average price Aug. 31/08)
Au Recovery	95%
Process Cost (3,000tpd)	USD$4.50/tonne processed
General/Administration	USD$1.50/tonne processed

Therefore, the Au cut-off grade for the saprolite portion of this resource estimates is calculated as follows:

Operating costs per ore tonne = (USD$4.50 + USD$1.50) = USD$6.00/tonne
[(USD$6.00)/[(USD$688/oz/31.1035 x 95% Recovery)] = 0.29g/t AuEq

Fresh Rock Open Pit AuEq Cut-Off Grade Calculation USD$

Au Price	USD$688/oz (36 mo. trailing average price Aug. 31/08)
Au Recovery	90%
Process Cost (30,000tpd)	USD$8.50/tonne processed
General/Administration	USD$1.50/tonne processed

Therefore, the Au cut-off grade for the fresh rock portion of this resource estimates is calculated as follows:

Operating costs per ore tonne = (USD$8.50 + USD$1.50) = USD$10.00/tonne
(USD$10.00)/[(USD$688/oz/31.1035 x 90% Recovery) = 0.50g/t AuEq

The open pit resource model was further investigated with a Whittle pit optimization to ensure a reasonable stripping ratio was applied and a reasonable assumption of potential economic extraction could be made. The following parameters were utilized in the pit optimizations:

Au Price	USD$688/oz (36 month trailing average price Aug. 31/08)
Cu Price	USD$3.13/lb (36 month trailing average price Aug. 31/08)
Au Recovery (Saprolite)	95%
Au Recovery (Fresh Rock)	90%
Cu Recovery	75%
Mining Cost (Saprolite)	USD$1.50/tonne mined
Mining Cost (Fresh Rock)	USD$2.00/tonne mined
Process Cost (Saprolite)	USD$4.50/tonne processed
Process Cost (Fresh Rock)	USD$8.50/tonne processed
General/Administration	USD$1.50/tonne processed

Pit Slopes 45 degrees

The above data were derived from similar open pit gold projects to Toroparu. The resulting resource estimates can be seen in the following tables.

Table 16-7: Toroparu Open Pit Saprolite Resource Estimate @ 0.29 g/t AuEq Cut-Off Grade

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	AuEq (g/t)	AuEq (oz)
Indicated	4,890,000	0.89	139,900	0.09	1.11	174,500
Inferred	774,000	0.95	23,600	0.04	1.05	26,100

Table 16-8: Toroparu Open Pit Fresh Rock Resource Estimate @ 0.50 g/t AuEq Cut-Off Grade

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	AuEq (g/t)	AuEq (oz)
Indicated	40,684,000	0.94	1,229,500	0.17	1.39	1,818,100
Inferred	36,026,000	0.82	949,800	0.13	1.16	1,343,600

Table 16-9: Toroparu Open Pit Total Resource Estimate

Classification	Tonnes	Au (g/t)	Au (oz)	Cu (%)	AuEq (g/t)	AuEq (oz)
Indicated	45,574,000	0.93	1,369,400	0.16	1.36	1,992,600
Inferred	36,800,000	0.82	973,400	0.13	1.16	1,372,500

1. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

2. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

Confirmation of Estimate

As a test of the reasonableness of the Resource Estimate, the block model was queried at a 0.01 g/t AuEq cut off grade with blocks in all classifications summed and their grades weight averaged. This average is the average grade of all blocks within the mineralized domains. The values of the interpolated grades for the block model were compared to the length weighted capped average grades and average grade of composites of all samples from within the domains (see table 16-10 below).

Table 16-10: Comparison of Weighted Average Grade of Capped Assays and Composites with Total Block Model Average Grades

	Au (g/t)	Cu (%)
Capped Assays	0.91	0.13
Composites	0.91	0.15
Block Model	0.81	0.13

The comparison above shows the average grade of all the grade blocks in the constraining domains to be somewhat lower for the Au and similar for the Cu to the weighted average of all capped assays and composites used for grade estimation. This Au grade reduction is most likely due to the clustering of high grade assays wherein the block model smoothes out these values for a more reliable estimate. In addition, a volumetric comparison was performed with the block model volume of the model versus the geometric calculated volume of the domain solids.

Block Model Volume	= 36,536,401 m3
Geometric Domain Volume	= 36,666,644 m3
Difference	= 0.36%

Interpretation and Conclusions

Early stage trench sampling of saprolites, followed by exploratory diamond drilling by ETK Inc. of the historic Toroparu Pit, has partially outlined a north-westerly corridor of primary gold-copper sulphide mineralization below the saprolite cover and within unweathered lower Proterozoic Mazaruni Group metamorphosed tuffs beneath the Toroparu Pit. The Toroparu Gold-Copper Prospect has been explored since the 1930's for surficial alluvial placer gold and more recently, by ETK Inc. for gold-bearing saprolite to shallow depths of 25 metres.

Three phases of drilling, from 2006 to 2008, have outlined a 650 m x 350 m x 415 m subsurface block of poorly stratified fresh tuffaceous metasediments that contains one or more mineralized discrete continuous zones of disseminated gold-copper sulphide mineralization. This mineralized corridor has been explored by 30 NQ diamond drill holes totalling 9493 m and by 23 mineralized trenches totalling 1813 m in the Toroparu Pit area. The mineralized corridor is open in all directions including depth.

Beneath the Toroparu Pit area, widespread gold-copper sulphide mineralization occurs predominantly as fine disseminations of pyrite and chalcopyrite with secondary copper sulphides of bornite, chalcocite, cuprite and native copper as well as in quartz-carbonatesericite veinlets, stockworks and fracture fillings that are hosted in a thick succession of poorly stratified fragmental tuffaceous volcanic greenstones of the Lower Proterozoic Barama-Mazaruni Group of metasediments.

A central zone of sulphide mineralization, within the 650 m x 350 m x 415 m block of the corridor, is indicated beneath the Toroparu Pit by 27 mineralized drill intercepts that indicate this zone extends over more than 650 m, has an apparent width of about 200 to 220 m and persists to depths beyond about 415 m. Overall, average grades within the zone or lens, are in the order of 1.0+ g Au/t and about 0.13% Cu.

Higher grade intervals, in the 2.0+ g Au/t range, occur in the core areas of this zone. This zone is enveloped by a less well-mineralized envelope of 0.5 g Au/t and lesser values. This zone is open in all directions including depth.

A second, less well defined, zone of disseminated gold-copper sulphide mineralization, is indicated by 7 mineralized drill intercepts and lies adjacent to, and just north of, the main zone of mineralization. This zone is about 650 m long, has an apparent width of 25 to 100 m and extends beyond 350 m in depth. It is also open in all directions and to depth.

The Toroparu Pit area lies within a regional 7 km x 0.6 to 1.2 km north-westerly corridor of geochemically indicated gold mineralization that has been determined from geochemical drainage sampling and from the presence of numerous historic alluvial gold workings and, that indicate this area is prospective for gold and/or gold-copper mineralization at depth.

Drill holes are variably and intermittently mineralized throughout the cored intervals, including saprolite, transitional rock and, deeper fresh unweathered rocks, to vertical depths of 415 m and, over lateral distances of 350 m. Average grades of mineralization are typically in the range of about 0.20 g Au/t to 1.30 g Au/t and about 0.06% Cu to 0.28% Cu within mineralized core intervals.

The initial trench channel sampling of saprolite in the Toroparu Pit, in 2005 and 2006, outlined a surficial gold-mineralized zone that is coincident with the deeper drill indicated gold-copper sulphide mineralized zones beneath the Toroparu Pit. This suggests that gold-copper grains, occurring in the saprolite of the New Cu-Au Pit Area, 600 m to the southeast of the Toroparu Pit, may be indicative that deep-seated gold-copper mineralization may also be present beneath the New Cu-Au Pit Area.

Auger sampling of saprolite, over a 2 km x 3 km area, to the northwest of the Toroparu Pit, has detected several clusters and spot anomalies of anomalous copper and gold values within of this historic gold placer area, that suggests deeper seated gold-copper sulphide mineralization may also be present in this area.

The potassium-anomalous areas K1, K2, K3, K11-13 K14-16, which were detected as part of the 2006 airbone magnetic survey, may be interpreted as emanating from potassium-altered sub-surface intrusives or volcanic metasediments. In several cases they are coincident with the gold-copper mineralization in saprolites, principally at the Toroparu Pit, the gold-bearing tailings pond and, the New Cu-Au Pit Area. The anomalies are therefore prospective for gold and/or gold-copper mineralization at depth. Anomalies K1, K2, K3 and K12 should be further tested with grid-based (50 m centres x 100 m lines) RC drilling, auger sampling and/or trenching, to determine their potential for gold-copper-bearing sulphide mineralization.

The Toroparu Gold-Copper Prospect is a new mineral discovery that has been outlined by ETK utilizing auger sampling, trench sampling and diamond drilling. The Toroparu Gold-Copper Prospect merits further infill and step-put drilling, within the Toroparu Pit area as well as, along strike towards the northwest and southeast, so as to expand the known resources.

Recommendation

During the course of preparing the Mineral Resource estimate, it became evident that additional drilling would be required to fully delineate the known potentially economic mineralization at the Toroparu Gold-Copper Prospect. In-fill diamond drilling to upgrade Inferred Resources to the Indicated category or better is recommended in the Technical Report. In addition a program of step-out diamond drilling is recommended to expand the known resources. With an overall Inferred Resource of 36,800,000 tonnes, there is very good potential to significantly increase the amount of Indicated Resource in this estimate by undertaking the diamond drill program outlined below.

Recommended Drill Program and Proposed 2009/2010 Budget

The analysis contained in the Technical Report represents an accurate representation of the Upper Puruni Property and the Toroparu Gold-Copper Prospect as of the date of the Technical Report and all recommendations supersede the recommendations contained in previous reports in all aspects, based on P&E's better understanding of the Upper Puruni Property and the Toroparu Gold-Copper Prospect and mineralization at the time of issuance of the Technical Report, as well as the actual costs incurred by ETK for the drill programs completed to date.

A multi phased, results driven diamond drilling program and proposed budget (previously defined herein as the "**Work Program**"), to be completed over a two year period, is outlined below. A total of 15,000 metres of in-fill drilling in 48 holes is recommended to bring a significant portion of the Inferred Resources into the Indicated category (including several vertical holes to test the depth of mineralization). A further 3,300 m of step-out drilling in 12 holes, is also recommended with 2 x 50 m sections along both strike extensions in order to expand the known resource.

An exploration program consisting of ground geophysics, geological surveying, and diamond drilling/trenching is also recommended. In addition, it is recommended that initial engineering and permitting processes be initiated as outlined in the following proposed budget.

A proposed budget of USD$4,083,394 has been designed by P&E to carry out the recommended work programs over the next 24 months and is defined in the budget below. The budget set out below has been converted from USD$ to CAD$, at an exchange rate of CAD$1.1/USD$1.00, which rate has been estimated by GoldHeart to be a reasonably foreseeable average rate of exchange for the twenty-four (24) months following the date of this prospectus.

The Phase I budget, covering the first twelve months of the recommended Work Program, is approximately USD$1,394,000. The second year budget of USD$2,689,500 will be used to carry out the Phase II (USD$990,000) and Phase III (USD$1,699,500) of the Work Program, provided the results of Phase I of the Work Program are positive and consistent with the data, reports, and interpretations made to date concerning the mineralized body and mineralization.

Proposed Phase I Budget	*USD$*	*CAD$*
Infill Diamond Drilling (2,000 metres in 6 holes) @ USD$150.00/m	300,000	330,000
High Resolution Geophysical Survey		
Insight Section IP Survey	100,000	110,000
Auger/Trench/Test Core Drilling	385,000	423,500
Technical Support	119,880	131,868
ESIA Report		
Baseline Characterization (4 Seasons)	87,845	96,630
Final ESIA Report (Balance Due)	74,451	81,896
Large Scale Permit Conversion Legal Costs	50,000	55,000
Accommodation, food (400 md @ USD$100/d)	40,000	44,000
Consulting, engineering, reporting	80,000	88,000
Misc Fees	30,000	33,000
Contingency @ 10%	126,718	139,390
Subtotal	**1,393,894**	**1,533,283**
Proposed Phase II Budget		
Infill Diamond Drilling (6,000 metres in 19 holes) @ USD$150.00/m	900,000	990,000
Contingency @10%	90,000	99,000
Subtotal	**990,000**	**1,089,000**
Proposed Phase III Budget		
Infill Diamond Drilling (7,000 metres in 23 holes) @ USD$150.00/m	1,050,000	1,155,000
Step-out Diamond Drilling (3,300 metres in 12 holes) @ USD$150.00/m	495,000	544,500
Contingency @ 10%	154,500	169,950
Subtotal	**1,699,500**	**1,869,450**
Total	**4,083,394**	**4,491,733**

USE OF PROCEEDS

Proceeds and Available Funds

The following table sets forth the estimated working capital and amounts and sources of other funds of Sandspring upon completion of the Acquisition and the Private Placement. See the Financial Statements of the Corporation and the Pro Forma balance sheet of the Corporation each attached hereto.

Source of Funds	Estimated Net Proceeds and Available Funds on Completion of the Acquisition and Private Placement
Approximate working capital of Sandspring as at the Effective Date	Nil
Estimated net proceeds from Private Placement[(1)]	$5,520,046
Less estimated costs and expenses relating to the Acquisition and the Private Placement	$715,000
Total Funds Available	$4,805,046

Note:

(1) Pending satisfaction of the Escrow Release Conditions, the gross proceeds of the Private Placement (less the Underwriters' Commission and expenses) in the amount of $5,520,046 have been deposited in escrow pursuant to the Subscription Receipt Agreement. The net proceeds are expected to be received by the Corporation from the Private Placement after satisfaction of the Escrow Release Conditions and after deducting the balance of the Underwriters' expenses and other expenses of the Private Placement. The total costs and expenses related to the Acquisition and the Private Placement are estimated to be $715,000, such costs and expenses to include legal costs and expenses of the Corporation and other reasonable costs and expenses of Research Capital, the Sponsor and their respective legal counsel. Not included in the $715,000 estimate of costs and expenses, are the Underwriter's Commission and the USD$250,000 payable in respect of the Revolving Debt (which payments are anticipated to occur in conjunction with the Closing) and up to USD$150,000 payable in respect of the reasonable costs and expenses of the Qualifying Transaction incurred by GoldHeart and ETK (which payment is anticipated to occur in due course following the Closing).

Principal Purposes of Available Funds

The following table sets forth the proposed use of the available funds by the Corporation upon completion of the Acquisition and Private Placement:

Use of Available Funds	Amount Upon Completion of the Acquisition and Private Placement
Work Program	
1. Exploration and Drilling[(1)]	
Drill Program Recommended by Technical Report (Phase I & II)	$1,452,000[(2)]
Additional Drilling, Exploration & Costs	$1,170,283[(3)]
2. Mining Claim Renewals	$282,946
Payment of Revolving Debt and Reasonable Closing Expenses of GoldHeart and ETK	$350,000[(4)]
General and Administrative Costs (12 Months)	$1,287,125
Unallocated Working Capital	$262,692
Total	**$4,805,046**

Notes:

(1) See "Narrative Description of the Target Business".

(2) USD$1,200,000 drilling costs &10% contingency from Phase I and II Technical Report recommendation converted at an exchange rate of CAD$1.1/USD$1.0.

(3) Includes USD$1,063,894 ($1,170,283 at CAD$1.1/USD$1.0) for Exploration, ESIA Report, Permitting, and Camp Costs in Phase I Technical Report recommendation.

(4) The payment of the Revolving Debt will be made in conjunction with the completion of the Acquisition. See "Summary of the Proposed Acquisition and Related Transactions.

The Corporation anticipates spending the majority of the funds available to it upon completion of the Acquisition and Private Placement, to further explore and develop the Toroparu Gold-Copper Prospect. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Corporation to achieve its stated business objectives.

The Corporation expects to have sufficient cash available to pay its operating and administration costs for at least the twelve (12) months following completion of the Acquisition and the Private Placement.

General and Administration Costs

The following table sets out the aggregate monthly and total general and administration costs estimated to be incurred by the Corporation upon completion of the Acquisition and the Private Placement in order for it to operate its business for the twelve (12) months following completion of the Acquisition, such costs anticipated to total approximately $1,287,500:

Estimate of General and Administration Costs ($)

Sandspring Executive and ETK Management Salaries	735,625
General and Administration	179,625
Audit Fees	50,000
Legal Fees	44,000
Transfer Agent and Filing Fees	20,000
Travel and Investor Relations Expenses	257,875
Total	**1,287,125**

Business Objectives and Milestones

Upon completion of the Acquisition and the Private Placement the net proceeds of the Private Placement realized by the Corporation will be primarily used for Phase I and Phase II of the Work Program as described in the recommendations of the Technical Report. Upon completion of Phase I and Phase II of the Work Program which is anticipated to take approximately 6 months to complete the Corporation will evaluate the results before proceeding with Phase III of the Work Program. The Corporation expects to continue to seek out, investigate and evaluate acquisition opportunities for mining exploration and development opportunities in Guyana.

DIVIDENDS

To date, Sandspring has not declared any dividends and the Corporation does not expect to pay any dividends for the foreseeable future. The Corporation expects that earnings will be retained to finance the growth of its business. Upon completion of the Acquisition, the Corporation does not anticipate that it will have any restrictions on paying dividends and its dividend policy will be determined from time to time by the board of directors of the Corporation and will be based on the results of operations, its financial position, capital requirements, financing plans and other factors that the board of directors of the Corporation may deem relevant under the circumstances.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF SANDSPRING

Selected Financial Information

The following table sets out certain selected financial information of the Corporation for the period ended June 30, 2009 and the years ended December 31, 2008 and 2007. The selected financial information has been derived from the Corporation's unaudited financial statements for the period ended June 30, 2009 and from the Corporation's audited financial statements for the years ended December 31, 2008 and 2007. The following information should be read in conjunction with the Corporation's financial statements attached hereto as Schedule "A". The financial results are not necessarily indicative of the results that may be expected for any other period. The Corporation's audited and unaudited interim financial statements are presented in Canadian dollars ("**$**") and are prepared in accordance with Canadian generally accepted accounting principles.

Item	Period Ended June 30, 2009 ($)	Year Ended December 31, 2008 ($)	Year Ended December 31, 2007 ($)
Interest Income	-	2,473	4,249
Expenses	8,899	485,822	64,016
Net Loss	8,899	483,349	59,767
Loss per share	0.00	0.12	0.02)
Total Assets	232,737	128,706	221,158
Total Liabilities	135,796	184,653	93,756
Share Capital	737,169	487,169	187,169
Deficit	640,228	543,116	59,767
Shareholders' Equity (Deficiency)	96,941	(55,947)	127,402

Management's Discussion And Analysis of Sandspring

The following MD&A for Sandspring should be read in conjunction with the accompanying unaudited interim financial statements for the period ended June 30, 2009 and the notes thereto, as well as the MD&A and the audited financial statements for the year ended December 31, 2008. Readers should also refer to a discussion of forward-looking statements contained at the beginning of this prospectus. The following MD&A for the period ended June 30, 2009 does not contain a description of subsequent events that are disclosed elsewhere in this prospectus.

Six Months Ended June 30, 2009

Company Overview

Sandspring was incorporated pursuant to the provisions of the ABCA on September 20, 2006 and is classified as a CPC as defined in the CPC Policy of the Exchange. Except as specifically contemplated in the CPC Policy, until the completion of the "Qualifying Transaction" (as such term is defined in the CPC Policy), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction.

On May 11, 2009, the Corporation, GoldHeart, the shareholders of GoldHeart and certain creditors of GoldHeart (the "Lenders") entered into a formal acquisition agreement (the "Acquisition Agreement") relating to the acquisition by the Corporation (the "Acquisition") of 100% of the issued and outstanding shares of GoldHeart. The Corporation intends for the Acquisition to constitute the "Qualifying Transaction" of the Corporation, satisfying the requirement of a CPC company listed on the Exchange.

The Corporation is subject to numerous risks that may affect it in the future. See "Risk Factors".

Capital Structure

Upon incorporation, 2,000,000 Common Shares were issued at $0.05 per Common Share and on May 15, 2007, a further 2,000,000 Common Shares were issued by IPO at $0.10 per Common Share. On July 11, 2008, 1,200,000 Common Shares were issued at $0.25 per Common Share. On April 2, 2009, April 9, 2009 and May 12 2009, the Corporation closed a non-brokered private placement of 500,000 Common Shares in tranches of 200,000, 200,000, and 100,000 Common Shares, respectively, at an offering price of $0.50 per Common Share for aggregate proceeds of $250,000 to bring the number of Common Shares outstanding at June 30, 2009, to 5,700,000.

As per the terms of the agency agreement entered into between the Corporation and the IPO Agent in connection with the IPO, upon the closing of the IPO, the Agent was granted 200,000 options at an exercise price of $0.10 per

Common Share each option being exercisable into one (1) Common Share. The IPO Agent's Options are exercisable at any time from issuance to 24 months from the date of listing of the Corporation's shares on the Exchange. On May 15, 2007, 400,000 options were granted under the Corporation's incentive stock option plan at an exercise price of $0.10 per option, each option being exercisable into one (1) Common Share.

New Accounting Standards

In January 2009, the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments.

This standard is effective for the Corporation's fiscal year beginning January 1, 2009. Adoption of this EIC did not have a significant effect on the Corporation's financial statements.

Liquidity and Capital Resources

As above-noted, on April 2, 2009, April 9, 2009 and May 12, 2009, the Corporation closed a non-brokered private placement of 500,000 Common Shares at an offering price of $0.50 per Common Share for gross aggregate proceeds of $250,000. The proceeds received by the Corporation from this financing will be used to advance the Acquisition, which is intended to be the Corporation's Qualifying Transaction. These Common Shares are restricted from resale until the day that is four months and one day from the date of their respective distribution.

One of the Corporation's objectives in managing liquidity risk is to have sufficient funds to meet liabilities as they fall due for payment. As at June 30, 2009, the Corporation had a cash balance of $78,537 (December 31, 2008 - $128,706) to settle accounts payable and accrued liabilities of $135,796 (December 31, 2008 - $184,653).

The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash as at June 30, 2009.

Recent Accounting Changes and Effective Dates

The new Section 1582 - Business Combinations, which replaces Section 1581 - Business Combinations, establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. The new standard applies to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. The Corporation is currently assessing the impact of the adoption of this new standard on its financial statements.

The new Sections 1601 - Consolidated Financial Statements and Section 1602 - Non-Controlling Interests, together replace Section 1600 - Consolidated Financial Statements.

Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes the accounting for a non-controlling interest in a subsidiary, in the consolidated financial statements, subsequent to a business combination. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. The Corporation is currently assessing the impact of the adoption of these new standards on its financial statements.

IFRS - The Canadian Accounting Standards Board (AcSB) has confirmed that the use of International Financial Reporting Standards ("**IFRS**") will be required in 2011 for publicly accountable profit oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises. These include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of stakeholders. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Corporation is currently evaluating the impact of adopting IFRS.

Year Ended December 31, 2008

The following MD&A for the Corporation should be read in conjunction with the audited financial statements and notes for the year ended December 31, 2008 and the notes thereto. Readers should also refer to a discussion of forward-looking statements contained at the beginning of this prospectus.

Company Overview

Sandspring was incorporated pursuant to the provisions of the ABCA on September 20, 2006 and is classified as a CPC as defined in the CPC Policy of the Exchange. Except as specifically contemplated in the CPC Policy, until the completion of the "Qualifying Transaction" (as such term is defined in the CPC Policy), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. The Corporation is subject to numerous risks that may affect it in the future. See "Risk Factors".

Capital Structure

Upon incorporation, 2,000,000 Sandspring Shares were issued at $0.05 per Sandspring Share and on May 15, 2007, a further 2,000,000 Sandspring Shares were issued by IPO at $0.10 per Sandspring Share. On July 11, 2008, 1,200,000 Sandspring Shares were issued at $0.25 per Sandspring Share. On April 2 and April 9, 2009 the Corporation closed a non-brokered private placement of 400,000 Sandspring Shares at an offering price of $0.50 for aggregate proceeds of $200,000.

As per the terms of the agency agreement entered into between the Corporation and the IPO Agent in connection with the IPO, upon the closing of the IPO, the Agent was granted 200,000 options at an exercise price of $0.10 per Common Share each option being exercisable into one (1) Common Share. The IPO Agent's Options are exercisable at any time from issuance to 24 months from the date of listing of the Corporation's shares on the Exchange. On May 15, 2007, 400,000 options were granted under the Corporation's incentive stock option plan at an exercise price of $0.10 per option, each option being exercisable into one (1) Common Share.

New Accounting Standards

As disclosed in Note 3 to the Corporation's audited financial statements for the year ended December 31, 2008, commencing January 1, 2008, the Corporation adopted new accounting standards issued by the Canadian Institute of Chartered Accountants relating to the accounting for and disclosure of financial instruments and capital disclosures.

Liquidity and Capital Resources

On July 11, 2008 the Corporation closed a non-brokered private placement 1,200,000 Sandspring Shares at an offering price of $0.25 per Sandspring Share for gross aggregate proceeds of $300,000.

On April 2, 2009 and April 9, 2009, the Corporation closed a non-brokered private placement of 400,000 Sandspring Shares at an offering price of $0.50 per Sandspring Share for gross aggregate proceeds of $200,000.

The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash as at December 31, 2008.

Capital Management

The Corporation manages its capital to ensure that it will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of debt and equity financing. The Board of Directors of the Corporation does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the Corporation.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable. There were no changes in the Corporation's approach to capital management during the year ended December 31, 2008 compared to the year ended December 31, 2007.

Year Ended December 31, 2007

The following MD&A for the Corporation should be read in conjunction with the audited financial statements and notes for the year ended December 31, 2007 and the notes thereto. Readers should also refer to a discussion of forward-looking statements contained at the beginning of this prospectus.

Company Overview

Sandspring was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on September 20, 2006 and is classified as a CPC as defined in the CPC Policy of the Exchange. Except as specifically contemplated in the CPC Policy, until the completion of the "Qualifying Transaction" (as such term is defined in the CPC Policy), the Corporation will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a proposed Qualifying Transaction. The Corporation is subject to numerous risks that may affect it in the future. See "Risk Factors".

Capital Structure

Upon incorporation, 2,000,000 Sandspring Shares were issued at $0.05 per Sandspring Share and on May 15, 2007, a further 2,000,000 Sandspring Shares were issued by public offering (the "**IPO**") at $0.10 per Sandspring Share. On July 11, 2008, 1,200,000 Sandspring Shares were issued at $0.25 per Sandspring Share.

As per the terms of the agency agreement entered into between the Corporation and the IPO Agent in connection with the IPO, upon the closing of the IPO, the Agent was granted 200,000 options at an exercise price of $0.10 per Common Share each option being exercisable into one (1) Common Share. The IPO Agent's Options are exercisable at any time from issuance to 24 months from the date of listing of the Corporation's shares on the Exchange. On May 15, 2007, 400,000 options were granted under the Corporation's incentive stock option plan at an exercise price of $0.10 per option, each option being exercisable into one (1) Common Share.

Liquidity and Capital Resources

The Corporation has not commenced commercial operations and has no assets other than a minimum amount of cash as at December 31, 2007.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS OF GOLDHEART

Selected Consolidated Financial Information

GoldHeart was formed on October 15, 2008, under the laws of the British Virgin Islands. GoldHeart was capitalized on December 15, 2008, in accordance with the terms of the Formation and Contribution Agreement, whereby GoldHeart acquired all of the issued and outstanding ETK Shares from CGG and certain mineral interests in the Toroparu Gold-Copper Prospect contributed to GoldHeart on behalf of Mercedario. As a result, ETK became the wholly-owned subsidiary of GoldHeart on December 15, 2008 and remains the wholly-owned subsidiary of GoldHeart as of the date of this prospectus.

The financial statements at December 31, 2008, to which this Management Discussion and Analysis relates, include the accounts of GoldHeart consolidated with its wholly-owned subsidiary ETK. Since ETK is the predecessor business entity, for the years ended December 31, 2006 and 2007, the financial statements of ETK are presented. All figures are presented in Canadian dollars ("**$**"). The financial statements of both GoldHeart and ETK are prepared in accordance with Canadian GAAP and in accordance with Exchange requirements. The financial statements of GoldHeart and ETK are attached to this prospectus.

Table II-1	GoldHeart June 30, 2009(1) $	GoldHeart Dec 31, 2008(2) ($)	ETK Dec 31, 2007(3) ($)	ETK Dec 31, 2006(3) ($)
Loss from Continuing Operations	(594,775)	(436,326)	(62,127)	(39,572)
Net Comprehensive Loss	(1,501,230)	(464,122)	(378,206)	(36,069)
Total Assets	20,140,731	21,306,932	14,749,610	10,189,509
Total Current Liabilities	3,137,920	2,916,453	352,543	14,453
Total Long Term Liabilities	1,376,204	1,262,640	15,911,165	11,310,947
Cash Dividends Declared	0	0	0	0

Notes:

(1) Derived from the unaudited interim financial statements of GoldHeart for the six month ended June 30, 2009.

(2) Derived from the audited annual financial statements of GoldHeart for the year ended December 31, 2008.

(3) Derived from the audited annual financial statements of GoldHeart for the years ended December 31, 2007 and 2006.

Quarterly Information

GoldHeart and ETK are privately held companies and are not required to report, nor have they reported, financial information on a quarterly or half yearly basis for the years 2008, 2007 or 2006.

Management's Discussion and Analysis

This MD&A is an overview of the activities of GoldHeart and GoldHeart's wholly-owned subsidiary ETK, for the years ended December 31, 2008, 2007 and 2006. GoldHeart is a holding company that has no material business other than the holding of 100% of the issued and outstanding ETK Shares and is a funding source for ETK's business operations. ETK is an exploration stage mining company operating in the Republic of Guyana.

The following MD&A and financial data has been derived from the audited financial statements of GoldHeart and the audited financial statements of its wholly-owned subsidiary ETK. The data should be read in conjunction with the respective financial statements of GoldHeart and ETK and the notes thereto.

Six Months Ended June 30, 2009

Operational and Financial Summary

During the six months ended June 30, 2009, ETK conducted geological survey and reconnaissance work in preparation for the fourth phase of its diamond drilling exploration program on the Toroparu Gold-Copper Prospect (Phase I of the Technical Report), its sole resource property. ETK also continued with a small alluvial placer mining operation on the Toroparu Gold-Copper Prospect. ETK continued to be considered as an exploration stage company, resulting in the continued capitalization of mineral exploration and development costs during the six months ended June 30, 2009.

During the six months ended June 30, 2009, Target or GoldHeart recorded a loss before extraordinary items of $594,775. The net loss was comprised of $421,735 in accretion of convertible notes payable, $123,198 in general and administrative costs for administrative salaries and professional consulting fees, plus $49,842 in interest expense. In addition, GoldHeart recorded an extraordinary loss from foreign currency translation in the amount of $906,454. The exchange loss resulted from the increase in the value of the Canadian dollar against the US dollar. Capitalized mineral exploration and development costs incurred during this period were $158,589. These costs consisted primarily of drilling, geologic consulting services, depreciation of fixed assets, geophysical services, analysis and planning, project administration, travel and field work, equipment costs and placer mining costs, net of the proceeds from the sale of 1,974 ounces of gold from placer mining operations.

Capital Resources and Liquidity

ETK's operations did not generate positive cash flow. At June 30, 2009, the Target or GoldHeart had $325,169 of cash on hand, but a working capital deficit of $2,727,398 (including convertible notes as a current liability). Cash expenditures for capitalized mineral exploration and development costs were $2,327,824, offset by proceeds from the sale of 1,974 ounces of gold from placer mining operations in the amount of $2,047,882.

Total investment during the six months was financed through net loan advances under the Revolving Credit Agreement with CGR in the amount of $246,314. At June 30, 2009, ETK had borrowed $1,376,204 pursuant to the Revolving Loan Agreement with CGR.

While it has been successful in the past, there is no assurance that GoldHeart or ETK will be successful in obtaining future sources of funding.

Off-Balance Sheet Arrangements

As at June 30, 2009, neither GoldHeart nor ETK had any material off-balance sheet arrangements, and management does not anticipate entering into any such arrangements for the foreseeable future.

Transactions with Related Parties

During the six months ended June 30, 2009, ETK received loan advances from CGR under the Revolving Loan Agreement of $246,314, resulting in a June 30, 2009 loan balance of $1,376,204.

Actual or Proposed Transactions

On May 11, 2009, the Corporation, the Vendors, the Target, the Lenders, CGR and ETK, entered into the Acquisition Agreement, setting out the rights and obligations arising in connection with, and establishing the general framework for, the purchase by the Corporation of 100% of the issued and outstanding Target Shares and certain other material components of the Acquisition, including the assumption and payment of the 2008 Convertible Debt and the Revolving Debt.

Pursuant to the Acquisition Agreement, the Corporation will acquire from CGG and Mercedario, 1,000 Target Shares (800 Target Shares and 200 Target Shares, respectively), representing 100% of the issued and outstanding Target Shares (previously defined herein as the "**Acquisition Shares**"). In exchange for the Acquisition Shares, the Corporation will issue 30,525,030 Sandspring Shares to CGG and 7,631,258 Sandspring Shares to Mercedario, for a total issuance of 38,156,288 Sandspring Shares (previously defined herein as the "**Purchase Shares**"); the Purchase Shares will be issued at a deemed price of $0.6552, representing a deemed aggregate acquisition price of USD$20,000,000 (utilizing a $/USD$ exchange rate agreed upon by the Venders and the Corporation, of $1.25 = USD$1.00).

Pursuant to the Acquisition Agreement, the closing of the Acquisition is subject to certain conditions, including: (i) conditional approval of the Exchange; (ii) completion of the Private Placement; (iii) assumption and payment by Sandspring of the 2008 Convertible Debt and the 2009 Convertible Debt and the Revolving Debt as set out in this prospectus; and (iv) satisfaction or waiver of the Sandspring Closing Conditions and the Vendor Closing Conditions. See "Summary of the Proposed Acquisition and Related Transaction".

Other than the Acquisition Agreement discussed above, there were no acquisitions that were significant acquisitions under section 8.3 of NI 51-102.

Changes in Accounting Policies Including Initial Adoption

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved Emerging Issues Committee ("**EIC**") Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" ("**EIC-173**"). EIC-173 requires the Company to consider the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 20, 2009. The adoption of this Abstract will not have any material impact on the Company's financial statements.

Mining Exploration Costs

On March 27, 2009 the Emerging Issues Committee issued Abstract EIC-174. In this Abstract, the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Adoption of this section will not have any material impact on the Company's financial statements.

Financial Instruments and Other Instruments

ETK's financial instruments at June 30, 2009, consisted of cash, receivables, accounts payable, and the promissory note held by CGR and payable pursuant to the Revolving Loan Agreement (the "**CGR Note Payable**"). Credit risk on trade receivables is limited as trade receivables are accounted for net of provisions for bad debt. Management believes there was no additional credit risk beyond amounts provided for as collection losses.

The fair value of the bank balances, accounts receivable, accounts payable and the CGR Note Payable, were not materially different than their carrying amounts in 2007. Unless otherwise noted, it is management's opinion that ETK is not exposed to significant interest, currency, or credit risks arising from these instruments.

Property Ownership

At June 30, 2009, the Upper Puruni Property interests were owned as follows:

GoldHeart (through ETK) 100%

Outstanding Share Data

As at June 30, 2009, GoldHeart had 1,000 common shares issued and outstanding (previously defined herein as the "**Target Shares**") and had no other classes of shares authorized, issued, or outstanding, with 800 Target Shares held by CGG and 200 Target Shares by Mercedario.

At June 30, 2009, GoldHeart held 100% of the issued and outstanding common shares of ETK (previously defined herein as "**ETK Shares**").

<u>Year Ended December 31, 2008</u>

Operational and Financial Summary

During the year ended December 31, 2008, ETK conducted the third phase of its diamond drilling exploration program on the Toroparu Gold-Copper Prospect, its sole resource property. ETK also continued with a small alluvial placer mining operation on the Toroparu Gold-Copper Prospect. However, ETK continued to be considered as an exploration stage company, resulting in the capitalization of mineral exploration and development costs in 2008.

During the year ended December 31, 2008, the Target recorded a loss before extraordinary items of $436,326. The net loss was comprised of $158,593 in accretion of amounts payable in connection with the Convertible Promissory Notes, $289,707 in general and administrative costs for administrative salaries and professional consulting fees and interest of $19,723, offset by $31,696 in other income. GoldHeart recorded an extraordinary loss from foreign currency translation in the amount of $23,111. The exchange loss resulted from the decrease in the value of the Guyanese dollar against the Canadian dollar. Capitalized mineral exploration and development costs incurred during this period were $1,166,761. These costs consisted primarily of drilling, geologic consulting services, geophysical services, analysis and planning, project administration, travel and field work, equipment costs and placer mining costs, net of the proceeds from the sale of 3,706 ounces of gold from placer mining operations. An extraordinary gain of $14,730,810 was recorded in 2008 as the result of CGR's cancellation of part of the debt incurred by ETK under the Revolving Loan Agreement.

Capital Resources and Liquidity

ETK's operations did not generate positive cash flow. At December 31, 2008, the Target had $523,657 of cash on hand, but a working capital deficit of $2,319,869 (including convertible notes as a current liability). Cash expenditures for capitalized mineral exploration and development costs were $1,166,761.

Total investment during 2008 was financed through net loan advances under the Revolving Credit Agreement with CGR in the amount of $1,920,067 and issuance of convertible promissory notes in the amount of $1,296,115. At December 31, 2008, ETK had borrowed $1,262,640 pursuant to the Revolving Loan Agreement with CGR.

The Convertible Promissory Notes bear interest at 3.5% per annum. The Convertible Promissory Notes are automatically convertible into common stock of GoldHeart upon: (i) GoldHeart initiating a public offering of securities; (ii) the closing of a USD$3,000,000 private equity investment in GoldHeart; or (iii) the expiry of the maturity date, being September 30, 2009.

While it has been successful in the past, there is no assurance that GoldHeart or ETK will be successful in obtaining future sources of funding.

Off-Balance Sheet Arrangements

As at December 31, 2008, neither GoldHeart nor ETK had any material off-balance sheet arrangements, and management does not anticipate entering into any such arrangements for the foreseeable future.

Transactions with Related Parties

During the year ended December 31, 2008, ETK received loan advances from CGR under the Revolving Loan Agreement of $1,920,067 and pursuant to a Recapitalization and Contribution Agreement between CGR and ETK, CGR agreed to write off $14,730,810 advanced pursuant to the Revolving Loan Agreement, resulting in a December 31, 2008 loan balance of $1,262,640.

Actual or Proposed Transactions

On May 11, 2009, the Corporation, the Vendors, the Target, the Lenders, CGR and ETK, entered into the Acquisition Agreement, setting out the rights and obligations arising in connection with, and establishing the general framework for, the purchase by the Corporation of 100% of the issued and outstanding Target Shares and certain other material components of the Acquisition, including the assumption and payment of the 2008 Convertible Debt and the Revolving Debt.

Pursuant to the Acquisition Agreement, the Corporation will acquire from CGG and Mercedario, 1,000 Target Shares (800 Target Shares and 200 Target Shares, respectively), representing 100% of the issued and outstanding Target Shares (previously defined herein as the "**Acquisition Shares**"). In exchange for the Acquisition Shares, the Corporation will issue 30,525,030 Sandspring Shares to CGG and 7,631,258 Sandspring Shares to Mercedario, for a total issuance of 38,156,288 Sandspring Shares (previously defined herein as the "**Purchase Shares**"); the Purchase Shares will be issued at a deemed price of $0.6552, representing a deemed aggregate acquisition price of USD$20,000,000 (utilizing a $/USD$ exchange rate agreed upon by the Venders and the Corporation, of $1.25 = USD$1.00).

Pursuant to the Acquisition Agreement, the closing of the Acquisition is subject to certain conditions, including: (i) conditional approval of the Exchange; (ii) completion of the Private Placement; (iii) assumption and payment by Sandspring of the 2008 Convertible Debt and the Revolving Debt as set out in this prospectus; and (iv) satisfaction or waiver of the Sandspring Closing Conditions and the Vendor Closing Conditions. See "Summary of the Proposed Acquisition and Related Transaction".

Other than the Acquisition Agreement discussed above, there were no acquisitions that were significant acquisitions under section 8.3 of NI 51-102.

Changes in Accounting Policies Including Initial Adoption

Goodwill and Intangible Assets

In February 2008 the CICA issued Section 3064 of the Handbook, Goodwill and Intangible Assets, replacing Section 3062 of the Handbook, Goodwill and Other Intangible Assets, and Section 3450 of the Handbook, Research and Development Costs. The new Section is applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning January 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this new Section will not have any material impact on the Company's consolidated financial statements.

Business Combinations

In 2008, the CICA issued handbook Section 1582, "Business Combinations", which is effective for business combinations with an acquisition date after January 1, 2011. The standard requires the additional use of fair values measurements, recognition of additional assets and liabilities and increased disclosure. The adoption of Section 1582 is expected to have a material impact on how to account for prospective business combinations. Additionally, as part of the application of 1582, companies will be required to adopt CICA handbook Section 1601 "Consolidated Financial Statements" and 1602 "Non-controlling interests". These sections will require that non-controlling interests be presented as part of shareholders' equity on the balance sheet and the controlling parent will be required to present 100 percent of the subsidiary's results in the statement of operations and present the allocation between controlling and non-controlling interest. These standards will be effective January 1, 2011, with early adoption permitted.

Financial Instruments and Other Instruments

ETK's financial instruments in 2008, consisted of cash, receivables, accounts payable, and the promissory note held by CGR and payable pursuant to the Revolving Loan Agreement (the "**CGR Note Payable**"). Credit risk on trade receivables is limited as trade receivables are accounted for net of provisions for bad debt. Management believes there was no additional credit risk beyond amounts provided for as collection losses.

The fair value of the bank balances, accounts receivable, accounts payable and the CGR Note Payable, were not materially different than their carrying amounts in 2007. Unless otherwise noted, it is management's opinion that ETK is not exposed to significant interest, currency, or credit risks arising from these instruments.

As at December 31, 2008, ETK had approximately $1,584,404 in accumulated corporate tax losses available to reduce future taxable income, which under Guyana law may be deferred indefinitely.

Property Ownership

At December 31, 2008, the Upper Puruni Property interests were owned as follows:

GoldHeart (through ETK) 100%

Outstanding Share Data

As at December 31, 2008, GoldHeart had 1,000 common shares issued and outstanding (previously defined herein as the "**Target Shares**") and had no other classes of shares authorized, issued, or outstanding, with 800 Target Shares held by CGG and 200 Target Shares by Mercedario.

At December 31, 2008, GoldHeart held 100% of the issued and outstanding common shares of ETK (previously defined herein as "**ETK Shares**").

Subsequent Events

On August 17, 2009, the Company issued new convertible promissory notes (2009 Convertible Debt) in the amount of USD$500,000 for continued funding of ETK's activities. The principal and interest has been calculated to September 30, 2009 at $550,000, utilizing a $/USD$ exchange reate agreed upon by the 2009 Lenders and the Corporation of $1.10 = USD$1.00. The 2009 Convertible Promissory Notes convert into shares of GoldHeart upon the occurrence of various events or, in the event the closing of the Acquisition occurs prior to maturity (November 30, 2009) of the 2009 Convertible Promissory Note, the 2009 Convertible Promissory Notes will be paid in full by way of the issuance of the 2009 Convertible Debt Units.

Year Ended December 31, 2007

Operational and Financial Summary

During the year ended December 31, 2007, ETK conducted the first two phases of its diamond drilling exploration program on the Toroparu Gold-Copper Prospect, its sole resource property. ETK also continued with intermittent placer mining operations on the Toroparu Gold-Copper Prospect. During 2007, ETK continued to be considered as an exploration stage company, resulting in the capitalization of mineral exploration and development costs incurred during the year.

ETK recorded a loss of $62,127 for the year ended December 31, 2007. The net loss was comprised of $66,890 in general and administrative costs for administrative salaries and professional consulting fees, offset by $4,764 in other income. Capitalized mineral exploration and development costs incurred during the year were $1,351,561. These costs consisted primarily of drilling, geologic consulting services, geophysical services, analysis and planning, project administration, travel and field work, equipment costs and placer mining costs, net of the proceeds from the sale of 595 ounces of gold from the intermittent placer mining operations.

Capital Resources and Liquidity

ETK's operations do not generate positive cash flow. At December 31, 2007, ETK had $92,950 of cash on hand, but a working capital deficit of $121,168. Cash expenditures for capitalized mineral exploration and development costs were $1,816,108. Total investment during 2007 was financed through net loan advances under the Revolving Loan Agreement with CGR in the amount of $1,430,094. At December 31, 2007, ETK had borrowed $15,911,165 pursuant to the Revolving Loan Agreement with CGR.

Off-Balance Sheet Arrangements

As at December 31, 2007, ETK had 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 ETK actual or proposed transactions.

Transactions with Related Parties

Under the Revolving Loan Agreement between CGR and ETK described above, ETK borrowed an additional $1,430,094 under this facility over the course of 2007. The outstanding balance of the loan on December 31, 2007 was $15,911,165.

Actual or Proposed Transactions

Management of ETK determined in early 2007 that further sources of capital were required to advance the Upper Puruni Property. The interest owners in the Upper Puruni Property negotiated a restructuring and consolidation of interests in anticipation of seeking such additional capital. CGR acquired the ETK Shares owned by Mr. Greg Graham in June of 2007 and then CGR and the other interest owners in the Upper Puruni Property contributed their respective interests to a newly formed company, CGG, as of June 30, 2007, whereby CGG became the sole shareholder of ETK.

Other than the CGG transaction above-noted, there were no acquisitions that were significant acquisitions under section 8.3 of NI 51-102.

Changes in Accounting Policies Including Initial Adoption

During the period ending December 31, 2007, ETK did not institute any changes in accounting policies.

Financial Instruments and Other Instruments

ETK's financial instruments in 2007, consisted of cash, receivables, accounts payable, and the CGR Note Payable. Credit risk on trade receivables is limited as trade receivables are accounted for net of provisions for bad debt. Management believes there was no additional credit risk beyond amounts provided for as collection losses.

The fair value of the bank balances, accounts receivable, accounts payable and the CGR Note Payable, were not materially different than their carrying amounts in 2006. It is management's opinion that ETK is not exposed to significant interest, currency, or credit risks arising from these instruments.

As at December 31, 2007, ETK had approximately $1,451,482 in accumulated corporate tax losses available to reduce future taxable income, which under Guyana law may be deferred indefinitely.

Property Ownership

At December 31, 2007, the Upper Puruni Property interests were owned as follows:

CGG (through ETK)	100%

Outstanding Share Data

As at December 31, 2007, ETK had 1,000 common shares issued and outstanding (previously defined as the "**ETK Shares**") and had no other classes of shares authorized, issued, or outstanding, with all 1,000 ETK Shares held by CGG.

Year Ended December 31, 2006

During the year ended December 31, 2006, ETK conducted seasonal test mining and milling of saprolite and alluvial ores at the Toroparu Pit. ETK also continued with intermittent placer mining operations on the Toroparu Gold-Copper Prospect. During 2006, ETK continued to be considered as an exploration stage company, resulting in the capitalization of mineral exploration and development costs incurred during the year.

ETK recorded a loss of $39,572 for the year ended December 31, 2006. The net loss was comprised of $46,352 in general and administrative costs for administrative salaries and professional consulting fees, offset by $6,779 in other income. Capitalized mineral exploration and development costs incurred during the year were $149,946. These costs consisted primarily of drilling, geologic consulting services, geophysical services, analysis and planning, project administration, travel and field work, equipment costs and placer mining costs, net of the proceeds from the sale of 3,345 ounces of gold from the mining operations.

Capital Resources and Liquidity

ETK's operations do not generate positive cash flow. At December 31, 2006, ETK had $22,908 of cash on hand, and working capital of $115,525. Cash expenditures for capitalized mineral exploration and development costs were $149,946.

Total investment during 2006 was financed through net loan advances under the Revolving Loan Agreement with CGR in the amount of $368,729. At December 31, 2006, ETK had borrowed the equivalent of $11,310,947 pursuant to the Revolving Loan Agreement with CGR. Under the Revolving Loan Agreement between CGR and ETK, as amended, ETK had the right to draw up to $12,000,000 which, in management's opinion, created a sufficient reserve to continue operations into 2007.

Off-Balance Sheet Arrangements

As at December 31, 2006 ETK Inc. had 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 ETK.

Transactions with Related Parties

The outstanding balance under the Revolving Loan Agreement was $11,310,947 on December 31 2006. CGR and ETK entered into an amendment and extension agreement to the Revolving Loan Agreement as of December 31, 2006 to increase the total principal amount that could be borrowed by ETK and CGR agreed to extend the interest free status of funds loaned thereunder and extended the initial due date for repayment of funds loaned thereunder.

Actual or Proposed Transactions

During the period up to December 31, 2006, no transactions occurred.

Changes in Accounting Policies Including Initial Adoption

During the period ending December 31, 2006, ETK did not institute any changes in its accounting policies.

Financial Instruments and Other Instruments

ETK's financial instruments in 2006 consisted of cash, receivables, accounts payable, and the CGR Note Payable. Credit risk on trade receivables is limited as trade receivables are accounted for net of provisions for bad debt. Management believes there was no additional credit risk beyond amounts provided for as collection losses.

The fair value of the bank balances, accounts receivable, accounts payable and the CGR Note Payable, were not materially different than their carrying amounts in 2006. Unless otherwise noted, it is management's opinion that ETK is not exposed to significant interest, currency, or credit risks arising from these instruments.

As at December 31, 2006, ETK had approximately $1,096,703 in accumulated corporate tax losses available to reduce future taxable income, which under Guyana law may be deferred indefinitely.

Property Ownership

At December 31, 2006, the Upper Puruni Property interests were owned as follows:

ETK	78.00%
AST	20.80%
PGB	1.20%

The additional interests of Guyana Resource Partners, AST, and PGB in the Upper Puruni Joint Venture were not effective until exploration commitments were funded in 2007, leaving interests at December 31, 2007, the same as December 31, 2006.

Outstanding Share Data

As at December 31, 2006, ETK had 1,000 common shares issued and outstanding (previously defined herein as "**ETK Shares**") and had no other classes of shares authorized, issued, or outstanding, with 750 ETK Shares held by CGR, and 250 ETK Shares held by Gregory K. Graham.

DESCRIPTION OF SECURITIES DISTRIBUTED

Sandspring

Sandspring Shares

The Corporation is authorized to issue an unlimited number of Sandspring Shares without nominal or par value and an unlimited number of Preferred Shares. As at the Effective Date, 5,900,000 Sandspring Shares and no Preferred Shares are issued and outstanding as fully paid and non-assessable.

The holders of Sandspring Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per Sandspring Share at the meetings of the shareholders of the Corporation and, upon liquidation, to share equally in such assets of the Corporation as are distributable to the holders of Sandspring Shares. All Sandspring Shares outstanding after completion of the Acquisition and Private Placement will be fully paid and non-assessable. Assuming completion of the Acquisition and Private Placement as contemplated in this prospectus, it is expected that there will be 69,613,222 Sandspring Shares issued and outstanding.

Preferred Shares

The Corporation is authorized to issue, in series, an unlimited number of Preferred Shares, the rights and restrictions relating to which shall be set by the directors of the Corporation prior to the issuance thereof. The Preferred Shares of each series shall be given preference over all voting and non-voting common shares of the Corporation and any other shares of the Corporation ranking by their terms junior to the Preferred Shares of that series, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding up of the Corporation or with respect to any other return of capital; if any cumulative dividends or amounts payable on the return of capital in respect of a series of Preferred Shares are not paid in full, every series of Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital. As disclosed above, no Preferred Shares are issued and outstanding as of the date hereof.

Warrants

The Warrants will be created and issued pursuant to the Warrant Indenture to be entered into between Sandspring and the Warrant Agent. Each Warrant will be exercisable by the holder thereof to acquire one Warrant Share at $0.50 at any time before 4:30 p.m. (Calgary Time) on the Expiry Date, after which time the Warrants will expire and become null and void.

The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

The Warrant Indenture will provide for adjustment in the exercise price and number of Warrant Shares issuable upon the exercise of the Warrants upon the occurrence of certain events, including the issuance of Common Shares or securities exchangeable or convertible into Common Shares as a stock dividend, the subdivision, redivision, reduction, combination or consolidation of the Common Shares, the issuance of rights, options or warrants to substantially all of the holders of Common Shares that entitle them to subscribe for Common Shares of the Corporation and the merger, sale or conveyance of all or substantially all of the assets of the Corporation, other than to one of its subsidiaries. The Warrant Indenture will also provide for adjustment in the class and/or number of Warrant Shares issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (i) reclassifications of the Common Shares; or (ii) consolidations, amalgamations, plans of arrangement or mergers of the Corporation with or into another entity (other than the Qualifying Transaction or consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the Common Shares or a change of the Common Shares into other shares). No adjustment in the exercise price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth ($^{1}/_{100}$) of a Warrant Share.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not, by virtue of holding such warrants, have any voting, pre-emptive rights or any other rights which a holder of Common Shares would have.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", defined in the Warrant Indenture as a resolution which is either: (i) presented at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants and then passed by the affirmative vote of holders of Warrants representing not less than $66^{2/3}$% of the votes cast on such resolution; or (ii) signed by the holders of Warrants representing not less than $66^{2/3}$% of the aggregate number of the then outstanding Warrants.

The Warrants may not be exercised in the United States or by or on behalf of a U.S. Person or a person in the United States, nor may any Warrant Shares be issued upon such exercise, unless exemptions from the registration requirements of the U.S. Securities Act and all applicable U.S. state securities laws are available, and the holder of such Warrants has provided the Corporation with a written opinion of counsel, reasonably satisfactory to the Corporation, to such effect.

GoldHeart

Common Shares

In accordance with its Memorandum and Articles of Association, GoldHeart is authorized to issue up to 50,000 common shares with no par value. As at the Effective Date, GoldHeart has 1,000 common shares (previously defined as "Target Shares") outstanding and has no other securities issued or outstanding.

The holders of Common Stock are entitled to dividends, if, as and when declared by the board of GoldHeart, to receive notice of and to vote at meetings of the shareholders of GoldHeart on the basis of one vote per share of Common Stock and, upon liquidation, to share equally in such assets of GoldHeart as are distributed to the holders of Common Stock. The shares of Common Stock do not carry any pre-emptive, subscription, conversion or exchange rights nor any redemption, retraction, purchase for cancellation or surrender, sinking or purchase fund provisions or provisions permitting or restricting the issuance of additional securities or any other material restrictions. There are no provisions requiring a stockholder to contribute additional capital.

CONSOLIDATED CAPITALIZATION

Sandspring

The following table summarizes Sandspring's consolidated capitalization as at the dates indicated before and after giving effect to the Private Placement and the Acquisition. The table should be read in conjunction with the financial statements of Sandspring including the notes thereto, included elsewhere in this prospectus.

Description	Amount Authorized	Outstanding as at June 30, 2009	Outstanding as at June 30, 2009 After Giving Effect to the Private Placement and the Acquisition[(1)]
Long-term Debt	-	Nil	520,200
Common Shares	Unlimited	$737,169 (5,700,000 shares)	$14,828,595 (69,613,222 shares)
Preferred Shares	Unlimited	Nil	Nil
Contributed Surplus	-	-	$13,424,374
Deficit	-	($640,228)	($3,094,969)

Note:

(1) Assuming none of the 4,228,100 options and 11,000,080 warrants of Sandspring that will be outstanding after giving effect to the Private Placemen and Acquisition are exercised.

GoldHeart

The following table sets forth the capitalization of GoldHeart as at the dates indicated. The table should be read in conjunction with the financial statements of GoldHeart, including the notes thereto, included elsewhere in this prospectus.

The following table sets forth the capitalization of GoldHeart:

Description	Amount Authorized	Amount Outstanding as at Dec 31, 2008 ($)	Amount Outstanding as at June 30, 2009(1) ($)
Target Shares	50,000	1,000	1,000 (1,000 Target Shares)
Revolving Debt(2)	USD $2,000,000	1,262,640	1,429,896
2008 Convertible Debt(3)	USD $2,240,000	2,888,133	2,935,171
2009 Convertible Debt	USD $500,000	Nil	Nil
Capital Stock		4,892,045	4,892,045
Contributed Surplus	-	13,147,962	13,147,962
Equity Portion of Convertible Debt		1,062,241	1,062,241
Accumulated other comprehensive income (loss)		(335,686)	(1,242,140)
Deficit	-	1,638,724	2,233,499

Notes:

(1) The deficit of the Target as of June 30, 2009 was $2,233,499.

(2) As disclosed elsewhere in this prospectus, the Corporation will fully extinguish all obligations relating to the Revolving Debt, through the payment of up to a maximum of USD$1,200,000 in respect thereof, at Closing. For additional information, see "GoldHeart Debt Obligations", below.

(3) As disclosed elsewhere in this prospectus, the Corporation will assume and pay the Convertible Debt, at Closing. For additional information, see "GoldHeart Debt Obligations", below.

GoldHeart Debt Obligations

Revolving Debt

ETK has incurred the Revolving Debt. Pursuant to the Acquisition Agreement, as amended on August 19, 2009, the Corporation will assume and pay, at Closing, the Revolving Debt owed by ETK to CGR, subject to a maximum payment of USD$1,200,000, and in connection therewith, any amount incurred and owing the CGR that exceeds USD$1,200,000 in respect of the Revolving Debt, will be cancelled by CGR at Closing. A cash payment by Sandspring of USD$250,000 in respect of the revolving Debt will be nade at Closing from the proceeds of the Private Placement. In addition, USD$500,000 of the Revolving Debt will be paid at Closing by way of the issuance of 1,571,429 Sandspring Units and the remaining amounts owing in aspect of the Revolving Debt, to a maximum of USD$1,200,000, will be paid on or before December 31, 2010, by way of either: (i) Revolving Debt Interim Payments; or, (ii) at the discretion of CGR and with the agreement of Sandspring, the issuance of Sandspring Shares. In the event that CGR requests and Sandspring consents to, a Revolving Debt Share Payment, such amounts owing for which a Revolving Debt Share Payment has been requested, shall be converted from cash to Sandspring Shares using a per-share price for each Sandspring Share, that is equal to the volume-weighted average trading price for the Sandspring Shares for a five (5) day period commencing immediately prior to the date on which the Revolving Debt Share Payment is to be completed. In the event that Sandspring does not agree to make a Revolving Debt Share Payment, it will continue to make cash payments on outstanding amounts owing in respect of the Revolving Debt, by way of the Revolving Debt Interim Payments in accordance with the terms of the GoldHeart net Profits Agreement. In the event that interest and/or principal on the Revolving Debt remains unpaid on December 31, 2010, however, Sandspring will satisfy all amounts owing by way of issuance of that number of Sandspring Shares as is required to satisfy such amounts outstanding, based on the Revolving Debt Share Payment Calculation.

Convertible Promissory Notes

Pursuant to the Acquisition Agreement, as amended, the Corporation will assume and pay, at Closing, all amounts outstanding at the Closing Date, in respect of the 2008 Convertible Debt and the 2009 Convertible Debt. The 2008 Convertible Debt (principal and interest) has been calculated to September 30, 2009, at USD$2,635,538 (approximately $2,899,092, utilizing a $/USD$ exchange rate agreed upon by the 2008 Lenders and the Corporation, of $1.10 = USD$1.00) and shall be fully paid by the Corporation to the 2008 Lenders at Closing, through the issuance of 5,271,076 2008 Convertible Debt Shares at a deemed per-share value of $0.50. The 2009 Convertible Debt (principal and interest[interest free thru Sept 20, 2009]) has been calculated to September 30, 2009, at USD$500,000, $550,000, utilizing a $/USD$ exchange rate agreed upon by the 2009 Lenders and the Corporation, of $1.10 = USD$1.00) and shall be fully paid by the Corporation to the 2009 Lenders at Closing, through the issuance of 1,571,429 2009 Convertible Debt Units at a deemed per-unit value of $0.35 (the issuance price of the Sandspring Units underlying the Subscription Receipts). The payment of the 2008 Convertible Debt and the 2009 Convertible Debt will occur at Closing.

In the event the Closing does not occur on or before September 30, 2009, the number of Convertible Debt Shares and Convertible Debt Units to be issued will be increased by that number of Sandspring Shares and that number of Sandspring Units, as the case may be, which is required to satisfy all amounts owing (plus accrued interest) to the Lenders at Closing and for greater certainty, will be calculated with reference to an annual interest rate of 3.5% in respect of all amounts outstanding on the 2008 Convertible Debt and the 2009 Convertible Debt, as the case may be and a $/ USD$ exchange rate of $1.1 = USD$1.00.

If additional Convertible Debt Shares and Convertible Debt Units are required to be issued as a result of the Closing Date occurring after September 30, 2009, such Convertible Debt Shares shall be issued at a deemed per-share value of $0.50 and such Convertible Debt Units at a deemed per-unit value of $0.35

OPTIONS TO PURCHASE SECURITIES

Sandspring

The Corporation has adopted an incentive stock option plan (previously defined herein as the "**Sandspring Stock Option Plan**"), which is administered by its board of directors. The Sandspring Stock Option Plan provides that the board of directors of the Corporation may from time to time, in its discretion and in accordance with Exchange requirements, grant to directors, officers, employees and technical consultants to the Corporation, options to purchase Sandspring Shares, provided that the number of Sandspring Shares reserved for issuance will not exceed 10% of the issued and outstanding Sandspring Shares from time-to-time. Such options will be exercisable for a period of up to 5 years from the date of grant. No more than an aggregate of 5% of the issued and outstanding Sandspring Shares may be granted to any one individual in any 12-month period, unless the Corporation is characterized as a Tier 1 Issuer on the Exchange and has obtained disinterested shareholder approval therefor. No more than an aggregate of 2% of the issued and outstanding Sandspring Shares may be granted to any one technical consultant in any 12-month period. No more than an aggregate of 2% of the issued and outstanding Sandspring Shares may be granted to an employee conducting investor relations activities, in any 12-month period. Options issued pursuant to the Sandspring Stock Option Plan will have an exercise price determined by the directors of the Corporation provided that the exercise price shall not be less than the price permitted by the Exchange.

There are certain restrictions in the Sandspring Stock Option Plan with respect to grants of options to certain persons. Options granted under the Sandspring Stock Option Plan are non-transferable and expire the earlier of 5 years from the date of grant or the later of 12 months after completion of the Qualifying Transaction and 90 days from the date the optionee ceases to be an officer, director, employee or technical consultant of the Corporation. In the event of death of an optionee, or disability or illness preventing the optionee from performing the duties routinely performed by them, options held by such optionee will expire the earlier of 5 years from the date of grant or 90 days from the date of ceasing to be an officer, director, employee or technical consultant of the Corporation due to such death, disability or illness.

Options to acquire an aggregate of 400,000 Sandspring Shares were granted by the Corporation to the directors and officers of the Corporation, in connection with the closing of the IPO (previously defined as the "**Directors' and Officers' Options**"). The exercise price of the Directors' and Officers' Options was based on and is equal to the offering price of the Sandspring Shares issued pursuant to the IPO.

GoldHeart

There are not any issued and outstanding stock options of GoldHeart.

Additional Options to be Granted Upon Completion of the Acquisition

After completion of the Acquisition, the Corporation intends to issue an additional 3,828,100 stock options to certain directors, officers, employees and consultants to the Corporation. See " Executive Compensation – Summary of Proposed Executive Compensation of the Corporation Upon Completion of the Acquisition".

PRIOR SALES

Sandspring

Since September 20, 2006, the date on which Sandspring was incorporated, 5,900,000 Sandspring Shares have been issued and are currently outstanding, as described in the following table:

Date	Number of Common Shares[(1)]	Issue Price Per Share	Aggregate Issue Price	Nature of Consideration Received
September 20, 2006	2,000,000[(2)]	$0. 05	$100,000	Cash
May 15, 2007	2,000,000[(3)]	$0.10	$200,000	Cash
July 11, 2008	1,200,000[(4)]	$0.25	$300,000	Cash
April 1, 2009	200,000[(4)]	$0.50	$100,000	Cash
April 9, 2009	200,000[(4)]	$0.50	$100,000	Cash
May 15, 2009	100,000[(4)]	$0.50	$50,000	Cash
August 21, 2009	200,000[(5)]	$0.10	$20,000	Cash

Notes:

(1) Does not include Sandspring Shares issuable upon the conversion of Subscription Receipts issued at the Subscription Receipt Closing.

(2) These Sandspring Shares were issued as seed shares upon incorporation and were placed in escrow pursuant to the CPC Escrow Agreement. See "Escrowed Securities".

(3) These Sandspring Shares were issued pursuant to Sandspring's IPO.

(4) These Sandspring Shares were issued pursuant to a non-brokered private placement; all placees were "arms-length" to the Qualifying Transaction other than Charles Gryba and Mark Maier, who purchased 140,000 and 300,000 Sandspring Shares, respectively, in the financing completed on July 11, 2008. See "Escrowed Securities".

(5) These Sandspring Shares were issued to the IPO Agent in connection with the exercise of the IPO Agent's Options.

GoldHeart

During the 12 months preceding the date of this prospectus, the following Target Shares, which are the only issued and outstanding securities of the Target, have been issued as follows:

Date	Number of Target Shares	Issue Price Per Target Share ($USD)	Aggregate Issue Price ($USD)	Nature of Consideration Received
December 15, 2008	800	20,000	16,000,000	Property
December 15, 2008	200	20,000	4,000,000	Property

TRADING PRICE AND VOLUME

Sandspring

The Sandspring Shares began trading on the Exchange effective August 24, 2007, under the symbol "SSP.P" and were halted from trading immediately upon the commencement thereof, pending the announcement of a proposed

Qualifying Transaction. Trading in the Sandspring Shares has remained halted since August 24, 2007, in accordance with the policies of the Exchange and is not expected to resume until after the Closing.

GoldHeart

No securities of the Target are, or have been, posted for trading on any stock exchange or quotation system.

ESCROWED SECURITIES

CPC Escrowed Shares

As at the Effective Date, there are 2,000,000 Sandspring Shares held in escrow, representing 33.8% of the total issued and outstanding Sandspring Shares as of the Effective Date (the "**CPC Escrowed Shares**"). All of the CPC Escrowed Shares are held in escrow pursuant to the CPC Escrow Agreement. The CPC Escrowed Shares will be releasable as to 10% thereof following issuance by the Exchange of the Final Exchange Bulletin in respect of a Qualifying Transaction and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin. The release from escrow of the CPC Escrowed Shares may be accelerated if the Corporation is classified as a Tier I issuer on the Exchange.

The following table lists the names of beneficial owners of CPC Escrowed Shares and the amount of CPC Escrowed Shares held by such owners, as at the date hereof, after giving effect to the Acquisition and the Private Placement:

Name and Municipality	Number of CPC Escrowed Shares held as of Effective Date (Percentage of Sandspring Shares)(1)
Mark C. Maier Calgary, Alberta, Canada	1,000,000 (1.44%)
Charles G. Gryba Toronto, Ontario, Canada	500,000 (0.72%)
Joel D. Schneyer Parker, Colorado, USA	500,000 (0.72%)

Notes:

(1) Based on 69,613,222 Sandspring Shares that will be issued and outstanding at the completion of the Acquisition and the Private Placement.

(2) In connection with the Acquisition, the current directors of Sandspring intend to transfer, subject to regulatory approval, 400,000 Sandspring Shares to John R. Adams and 211,240 to Alfro Alphonso, for a total of 611,240 Sandspring Shares. Messrs Schneyer, Maier and Gryba will make regulatory application to transfer 203,748, 203,746 and 203,746 Sandspring Shares respectively.

Exchange Escrow Shares

In addition, a total of 33,450,744 Sandspring Shares that will be held by Principals of the Corporation upon completion of the Acquisition and the Private Placement, will be placed in escrow on terms to be set by the Exchange (the "**Exchange Escrow**").

The following table lists the names of beneficial owners of the Sandspring Shares that are or will be subject to Exchange Escrow and the number of Sandspring Shares held by each such beneficial owner:

Name and Municipality of Residence/Incorporation	Number and Percentage of Sandspring Shares to be held in Exchange Escrow after Giving Effect to the Acquisition and the Private Placement(1)
John R. Adams Steamboat Springs, Colorado	2,285,714 (3.3%)
Abraham Drost	200,000

Name and Municipality of Residence/Incorporation	Number and Percentage of Sandspring Shares to be held in Exchange Escrow after Giving Effect to the Acquisition and the Private Placement(1)
Thunder Bay Ontario, Canada	(0.29%)
Mark C. Maier Calgary, Alberta, Canada	300,000(2) (0.4%)
Charles G. Gryba Toronto, Ontario, Canada	140,000(3) (0.2%)
Crescent Global Gold British Virgin Islands	30,525,030 (43.8%)
Total	**33,450,744** **(48%)**

Notes:

(1) Assumes 69,613,222 Sandspring Shares issued and outstanding.

(2) These Sandspring Shares were issued in connection with the non-brokered private placement of the Corporation completed July 11, 2008 and are or will be subject to Exchange Escrow in addition to the 1,000,000 Sandspring Shares held by Mr. Maier that are held in escrow as CPC Escrowed Shares.

(3) These Sandspring Shares were issued in connection with the non-brokered private placement of the Corporation completed July 11, 2008 and are or will be subject to Exchange Escrow in addition to the 500,000 Sandspring Shares held by Mr. Gryba that are held in escrow as CPC Escrowed Shares.

The terms of the Exchange Escrow are such that the first release of escrowed securities issued in connection with the Acquisition will be on the date of the Final Exchange Bulletin confirming final acceptance of the Acquisition as a Qualifying Transaction. For a Tier II Issuer, securities issued in conjunction with a Qualifying Transaction which are escrowed and viewed by the Exchange as “surplus securities” will be released as to 5% thereof following each of the date of issuance by the Exchange of the Final Exchange Bulletin and six months thereafter, and as to 10% thereof on each of the 12 and 18 month anniversaries of the Final Exchange Bulletin and as to 15% thereof on each of the 24 and 30 month anniversaries of the Final Exchange Bulletin and 40% on the 36 month anniversary of the Final Exchange Bulletin. For a Tier II Issuer, securities issued in conjunction with a Qualifying Transaction which are escrowed and viewed by the Exchange as “value securities” will be released as to 10% thereof following issuance by the Exchange of the Final Exchange Bulletin, and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the initial release. For a Tier I Issuer, securities issued in conjunction with a Qualifying Transaction which are escrowed and viewed by the Exchange as “surplus securities” will be released as to 10% thereof following issuance by the Exchange of the Final Exchange Bulletin, and as to 20%, 30% and 40% thereof on each of the 6, 12 and 18 month anniversaries, respectively, of the initial release. For Tier I Issuers, securities issued in conjunction with a Qualifying Transaction which are escrowed and viewed by the Exchange as “value securities” will be released as to 25% thereof following issuance by the Exchange of the Final Exchange Bulletin, and as to 25% thereof on each of the 6, 12 and 18 month anniversaries of the initial release.

It is anticipated that upon completion of the Acquisition, the Corporation will be classified as a Tier II issuer and the securities held under Exchange Escrow will be viewed by the Exchange as “value securities”.

Additional Temporary Restrictions on Transfer of Certain Sandspring Shares

In connection with the Private Placement, the current directors, officers of Sandspring and insiders of the Target, entered into the Lock-up Agreements, pursuant to which, each such holder agreed to the Lock-up Restrictions until the Lock-up Release Date. A total of 42,100,537 Sandspring Shares are subject to Lock-up Restrictions. On the Lock-up Release Date, all Sandspring Shares subject to Lock-up Agreements will become freely tradable and will at such time no longer be subject to Lock-up Restrictions subject to any regulatory escrow that may be imposed.

PRINCIPAL SECURITYHOLDERS

Sandspring

To the knowledge of the directors and officers of Sandspring, as of the date of this prospectus, no Person beneficially owns, controls or directs, directly or indirectly, any Sandspring Shares carrying more than 10% of the votes attached to the Sandspring Shares except for the following:

Name of Shareholder and Municipality of Residence	Type of Ownership	Number and Percentage of Sandspring Shares Prior to giving effect to the Acquisition and Private Placement[(1)]	Number and Percentage of Sandspring Shares after giving effect to the Acquisition and the Private Placement[(2)]
Mark C. Maier. Calgary, Alberta	Direct	1,300,000 (22%)	1,096,254[(3] (1.6%)
Charles C. Gryba Toronto, Ontario	Direct	640,000 (10.8%)	436,254[(3)] (0.63%)
Crescent Global Gold Ltd. British Virgin Islands	Direct	Nil	30,525,030 (43.8%)
Mercedario Limited British Virgin Islands	Direct	Nil	7,631,258 (11%)

Notes:

(1) Based on 5,900,000 Sandspring Shares issued and outstanding.

(2) Based on 69,613,222 Sandspring Shares issued and outstanding and assuming that none of the convertible securities of Sandspring have been exercised.

(3) Subject to regulatory approval, the current directors of Sandspring intend to transfer within escrow 400,000 Sandspring Shares to John R. Adams and 211,240 Sandspring Shares to Alfro Alphonso. Mark Maier and Charles Gryba will each apply to transfer 203,746 Sandspring Shares and Joel Schneyer will apply to transfer 203,748 Sandspring Shares for a total of 611,240 Sandspring Shares.

GoldHeart

To the knowledge of the directors and officers of GoldHeart, as of the dated of this prospectus, no Person beneficially owns, controls or directs, directly or indirectly, any of the Target Shares carrying more than 10% of the votes attached to the Target Shares except for the following:

Name of Shareholder and Municipality of Residence	Type of Ownership	Number and Percentage of Target Shares[(1)]
Crescent Global Gold Ltd. British Virgin Islands	Direct	800 (80%)
Mercedario Limited British Virgin Islands	Direct	200 (20%)

Note:

(1) Based on 1,000 Target Shares issued and outstanding.

DIRECTORS AND OFFICERS

The following table provides the names of the current and proposed directors and officers of Sandspring, their municipality of residence, position, principal occupation and the number of voting securities of the Corporation that each individual beneficially owns, controls or directors, directly or indirectly, as of the date hereof and upon completion of the Acquisition. The directors of Sandspring after completion of the Acquisition will be Richard A. Munson, John R. Adams, Mark C. Maier, and Joel D. Schneyer. Serving as officers of the Corporation upon completion of the Acquisition, will be Abraham P. Drost as President, Richard A. Munson as Chief Executive Officer and Corporate Secretary, Jeffrey L. Vigil as Chief Financial Officer and Charles G. Gryba as Vice President Technical. It is anticipated that the audit committee of the Sandspring will consist of Mark C. Maier, Joel D. Schneyer and John R. Adams. In accordance with Exchange requirements, a majority of the members of the audit committee (Messrs. Maier and Schneyer) will not be officers or employees of Sandspring upon closing of the Qualifying Transaction. Mr. Schneyer will be considered to be "independent" in accordance with NI 52-110.

Although John R. Adams and Mark C. Maier are not considered independent with the meaning of NI 52-110 given their respective position as executive officer or past executive officer, the board of directors of Sandspring do not view these relationships as impairing the ability of the audit committee or the board to act independently of management.

Name and Municipality of Residence	Office	Principal Occupation and Positions Held During the Last 5 Years	Number of Sandspring Shares Owned, Beneficially Held or Controlled upon Completion of the Acquisition and the Private Placement(1)	Percentage of Sandspring Shares Held or Controlled upon Completion of the Acquisition and the Private Placement(1)
John R. Adams(2)(3)(4) Steamboat Springs, Colorado, USA	Lead Director (new appointee)	Mr. Adams is the President and a director of ETK and has held that position during the 5 years preceding the Effective Date; he is also the Chairman, President and a director of the privately held Energy Fuels group of companies based in Steamboat Springs, Colorado, a position also held during the 5 years preceding the Effective Date.	2,285,714 (5)	3.3%(5)
Abraham P. Drost Thunder Bay Ontario, Canada	President (new appointee)	Mr. Drost is currently a director of Mega Precious Metals Inc. and a director of Marksmen Capital Inc. Mr. Drost was the President and Chief Executive Officer of Source Exploration Corp. from July 2008 to September 2009 and a director of that company from September 2007 to September 2009. In addition, Mr. Drost served as president of Sabina Silver Corp. from December, 2004 to August 2007 and as director of that company from September 2004 to June 2008.	200,000(6)	0.29%(6)
Richard A. Munson(3) Littleton, Colorado, USA	Director, Chief Executive Officer and Corporate Secretary (new appointee)	Mr. Munson is currently the Executive President and a director of ETK and has acted as such during the 5 years preceding the Effective Date. Mr. Munson is Executive Vice President and a director of the privately held Energy Fuels group of companies based in Steamboat Springs, Colorado and has held that position during the 5 years preceding the Effective Date.	Nil (7)	Nil(7)
Jeffrey L. Vigil Centennial, Colorado, USA	Chief Financial Officer (new appointee)	Mr. Vigil is a consultant to the Target and has acted as such since December 2008. From March 2007 to December 2008, Mr. Vigil provided financial and accounting services to a number of companies in the Denver, Colorado area. From May 1996 to March 2007, Mr. Vigil was Chief Financial Officer of Koala Corporation (formerly NASDAQ) a Denver based durable goods manufacturing company.	Nil(8)	Nil(8)

Name and Municipality of Residence	Office	Principal Occupation and Positions Held During the Last 5 Years	Number of Sandspring Shares Owned, Beneficially Held or Controlled upon Completion of the Acquisition and the Private Placement(1)	Percentage of Sandspring Shares Held or Controlled upon Completion of the Acquisition and the Private Placement(1)
Charles G. Gryba Toronto, Ontario, Canada	Vice President Technical (new appointee)	Mr. Gryba is currently a consultant to First Metals Inc. (TSX) and is a director of Washmax Corp. (NEX); he is also the Founder, President, Chief Executive Officer and a director of Claim Post Resources Inc., a private junior mining exploration and development company. Mr. Gryba was President and a director of Moneta Porcupine Mines, a company listed on the TSX, from 1986 to 1996 and from 1996 to 2001, he was the President and a director of St. Andrew Goldfields Ltd. (TSX). Mr. Gryba was a director of South American Gold and Copper Company Limited (TSX) from February 2006 to April 2006 and assisted in establishing Groundstar Resources Limited, a company listed on the Exchange. Since 2002, he has established two private mining corporations: Urban Mining International Inc. and DPM Mining Inc.	436,254(9)	0.63%(9)
Mark C. Maier(2)(4) Calgary, Alberta, Canada	Director since September 20, 2006	Mr. Maier was employed by Merrill Lynch (London) as an Associate VP, whereafter, he worked in Florida, USA, as a Risk Manager for AVM L.P., a registered broker/ dealer and service company to III Associates LP, a hedge fund advisor. Currently, Mr. Maier is the VP Corporate Development of Aurum Group, and investment manager for Alpha Vest Partners and Aurum Venture Partners.	1,096,254(10)	1.6%(10)
Joel D. Schneyer(2)(3)(4) Parker, Colorado, USA	Director since September 20, 2006	Mr. Schneyer is the Founder and President of Mercantile Resource Finance Inc. From October of 1999 until July of 2006, Mr. Schneyer served as a director of Rupert Resources Ltd. (TSXV) and from June 2004 until November 2006, as a director of Emgold Mining Corporation (TSXV). Mr. Schneyer is currently a director of two TSX-listed mining companies: Etruscan Resources Inc. and Globex Mining Enterprises Inc.	296,252(11)	0.43%(11)

Notes:

(1) Assumes 69,613,222 Sandspring Shares issued and outstanding and none of the stock options and Warrants securities of Sandspring have been exercised.

(2) Proposed member of the Audit Committee of the Corporation upon completion of the Acquisition.

(3) Proposed member of the Technical Committee of the Corporation upon completion of the Acquisition.

(4) Proposed member of the Compensation Committee of the Corporation upon completion of the Acquisition.

(5) Does not include Sandspring Shares to be issued as Purchase Shares to CGG over which John R. Adams (including the Associates and Affiliates of Mr. Adams), may be said to exercise control or direction: (i) indirectly as to 8,079,084 Sandspring Shares, by virtue of his

ownership of approximately 36% of the issued and outstanding common shares of CGR (which entity owns approximately 73% of the issued and outstanding common shares of CGG); (ii) indirectly as to 2,524,705 Sandspring Shares through JRA 1985 Insurance Trust (an 11.35% shareholder of CGG), in respect of which Mr. Adams is the Settlor; and (iii) indirectly as to 615,016 Sandspring Shares through WJT Trust (a 2.77% shareholder of CGG), in respect of which Mr. Adams is the Settlor. Does include 400,000 Sandspring Shares that, subject to regulatory approval, will be transferred to Mr. Adams from the current directors of Sandspring. In addition, it is anticipated that concurrent with the Closing, Mr. Adams will be granted 250,000 options to purchase Sandspring Shares at an exercise price of $0.50 per Sandspring Share.

(6) It is anticipated that concurrent with the Closing, Mr. Drost will be granted 500,000 options to purchase Sandspring Shares at an exercise price of $0.50 per Sandspring Share.

(7) Does not include 2,223,155 Sandspring Shares to be issued as Purchase Shares to CGG over which Richard A. Munson (including the Associates and Affiliates of Mr. Munson), may be said to exercise indirect control or direction through Red Rocks Trust (a 10% shareholder of CGG), in respect of which Mr. Munson is the Settlor. In addition, it is anticipated that concurrent with the Closing, Mr. Munson will be granted 250,000 options to purchase Sandspring Shares at an exercise price of $0.50 per Sandspring Share.

(8) It is anticipated that concurrent with the Closing, Mr. Vigil will be granted 150,000 options to purchase Sandspring Shares.

(9) Subject to regulatory approval, Mr. Gryba intends to transfer 203,746 escrowed Sandspring Shares together with the other current directors of Sandspring such that 400,000 Sandspring Shares shall be transferred to John R. Adams and 211,240 Sandspring Shares to be transferred to Alfro Alphonso. In addition, it is anticipated that concurrent with the Closing, Mr. Gryba will be granted 659,366 options to purchase Sandspring Shares at an exercise price of $0.50 per Sandspring Share.

(10) Subject to regulatory approval, Mr. Maier intends to transfer 203,746 escrowed Sandspring Shares together with the other current directors of Sandspring such that 400,000 Sandspring Shares shall be transferred to John R. Adams and 211,240 Sandspring Shares to be transferred to Alfro Alphonso. In addition, it is anticipated that concurrent with the Closing, Mr. Maier will be granted 609,366 options to purchase Sandspring Shares at an exercise price of $0.50 per Sandspring Share.

(11) Subject to regulatory approval, Mr. Schneyer intends to transfer 203,748 escrowed Sandspring Shares together with the other current directors of Sandspring such that 400,000 Sandspring Shares shall be transferred to John R. Adams and 211,240 Sandspring Shares to be transferred to Alfro Alphonso. In addition, it is anticipated that concurrent with the Closing, Mr. Schneyer will be granted 609,368 options to purchase Sandspring Shares at an exercise price of $0.50 per Sandspring Share.

Assuming completion of the Acquisition and the Private Placement as contemplated in this prospectus, the directors and officers of the Corporation will own or control, as a group, 4,314,474 (6.2%) of the issued and outstanding Sandspring Shares (does not include Sandspring Shares over which John R. Adams and Richard A. Munson may be said to exercise control or direction over by virtue of their interests in entities that are shareholders of CGR and/ or CGG, as outlined in notes 5 and 7 to the immediately preceding table).

Biographies

The following biographies provide certain selected information in respect of the persons who will be serving as directors, officers and/or management of the Corporation:

John R. Adams – Proposed Lead Director – Age 63

John Adams resides in Steamboat Springs, Colorado. In 1982, Mr. Adams took over control of the privately held Energy Fuels group of companies ("**Energy Fuels**"), which was the leading uranium producer in the United States during the 1980's through 1993. The uranium businesses of Energy Fuels were sold in 1993 and subsequent to the sale, Mr. Adams continued to be active in the coal mining business and other mineral, real estate and banking businesses. Mr. Adams was a co-founder of ETK and as President and Director of ETK, has directed all Guyana operations of ETK since its formation. Mr. Adams remains the Chairman, President and a director of Energy Fuels and of other international companies.

Abraham P. Drost – Proposed President – Age 50

Abraham Drost, of Thunder Bay Ontario, is currently a director of Mega Precious Metals Inc. and a director of Marksmen Capital Inc. Mr. Drost was the President and Chief Executive Officer of Source Exploration Corp. from July 2008 to September 2009 and a director of that company from September 2007 to September 2009. In addition, Mr. Drost served as president of Sabina Silver Corp., from December, 2004, to August, 2007, and as a director of that company, from September, 2004, to June, 2008.

Mr. Drost is a registered Professional Geoscientist (Ontario) with over 20 years experience in the Canadian mining industry. He obtained a Masters degree in Mineral Exploration (1987) from Queen's University and brings considerable success in discovery, finance and mineral project development. Mr. Drost also developed expertise in government and aboriginal relations, legal and environmental affairs with the Mines and Minerals Division of the Ontario Government.

Richard A. Munson – Proposed Chief Executive Officer, Corporate Secretary and Director – Age 57

Richard Munson of Littleton, Colorado, has served as an officer and director of various natural resource companies over the past 20 years. He has been involved in numerous domestic and international natural resource acquisitions, joint ventures, sales, environmental permitting and planning activities, mining ventures and oil and gas operations and reclamation activities.

Mr. Munson has also been affiliated with the privately held Energy Fuels group of companies since 1985, where he has focused on domestic and international interests in the natural resource area. Mr. Munson also serves as an officer and director of the various Energy Fuels entities and of other international entities. Prior to joining Energy Fuels, Mr. Munson was a resident Partner in the Denver, Colorado office of a Montana-based law firm. Mr. Munson obtained a B.A. from Montana State University, his J.D. from the University of San Diego School of Law and an L.L.M. (Taxation) from the University of Denver.

Jeffrey L. Vigil – Proposed Chief Financial Officer – Age 55

Jeffrey Vigil of Denver, Colorado, has served as a finance and accounting consultant to GoldHeart since September 2008. From March 2007 to December 2008, Mr. Vigil provided finance and accounting services, including interim CFO assignments, to a number of companies in the Denver, Colorado area. From May 1996 to March 2007, Mr. Vigil was the Chief Financial Officer of Koala Corporation (formerly OTCBB: KARE), a Denver based durable goods manufacturing company. From 1980 to 1989 and from 1993 to 1996, Mr. Vigil held various positions, including the position of Accounting Manager, Contract Administrator, Controller and Vice President of Finance, at Energy Fuels Corporation, a privately owned Colorado natural resources company. From 1990 to 1993, Mr. Vigil was self-employed as a financial consultant and prior thereto (1976 to 1979), was an auditor with Arthur Andersen LLP. Mr. Vigil holds a Certified Public Accountant certificate (currently in inactive status) and received a B.A. degree in Accounting from the University of Wyoming.

Charles G. Gryba – Current Director and Proposed Vice President Technical – Age 59

Charles Gryba P.Eng., of Toronto, Ontario, received his B.Sc. (Mining), from the University of Saskatchewan and is an accredited professional engineer with over 30 years of operational experience in the mining industry. From 1986 to 1996, Mr. Gryba was the President and a director of Moneta Porcupine Mines, a gold and base metals exploration corporation listed on the TSX. From 1996 to 2001, Mr. Gryba was the President and a director of St. Andrew Goldfields Ltd., also a TSX-listed mining corporation. Since 2002, Mr. Gryba has established two private corporations, Urban Mining International Inc. and DPM Mining Inc., to commercialize the DPM mining method, an underground mining method which excavates an ore-body from the top down, patented by Mr. Gryba. Mr. Gryba assisted in establishing Groundstar Resources Limited, an oil and gas company listed on the Exchange that is pursuing exploration opportunities in Guyana, Central Asia and North Africa. Mr. Gryba was a founding director and Chief Operating Officers of First Metals Inc. ("**First Metals**") (TSX: FMA) and was instrumental in putting its Fabie base metals mine into full production within 18 months of the formation of First Metals. Mr. Gryba is now a consultant to First Metals. Mr. Gryba is also a director of Washmax Corp., a company listed on the NEX board of the Exchange, the President, Chief Executive Officer and also a director of Claim Post Resources Inc., a private junior mining exploration and development company he founded in 2005.

Mark C. Maier – Director – Age 40

Mark Maier, of Calgary, Alberta, is currently the VP Business Development of Aurum Group, and investment manager for AlphaVest Partners and Aurum Venture Partners. Mr. Maier was formerly employed by Merrill Lynch (London) as an Associate VP, where after, he worked in Florida, USA, as a Risk Manager for AVM L.P., a registered broker/ dealer and service company to III Associates LP, a hedge fund advisor. Mr. Maier holds the Chartered Financial Analyst designation. In addition, Mr. Maier holds a Masters of Science degree, a Masters degree in Business and a Bachelor of Arts.

Joel D. Schneyer – Current Director – Age 50

Joel Schneyer, of Parker, Colorado, is a mineral economist, natural resource analyst, and is President of Mercantile Resource Finance Inc., an advisory firm to the natural resource sector. Prior to founding Mercantile in 1996, Mr. Schneyer was Manager of Derivative Finance Americas for Barclays Bank PLC, and a Senior Analyst in the New

Business and Strategic Planning Group at Billiton Metals. He holds a B.A. with High Honours (Geology) from Colgate University, an M.A. (Geology) from the University of Texas at Austin, and an M.S. (Mineral Economics) from the Colorado School of Mines. In 2006, Mr. Schneyer enrolled in the Directors Education Program sponsored by the Rotman School of Management and the Institute of Corporate Directors and has since become an Institute-certified Director, ICD.D (2008). From October of 1999 until July of 2006, Mr. Schneyer was a director of Rupert Resources Ltd. and from June of 2004 until November of 2006, he was a director of Emgold Mining Corporation, both of which are Canadian based gold exploration companies listed on the Exchange. Mr. Schneyer is currently a director of two TSX-listed mining companies focusing on the exploration of precious metals: Etruscan Resources Inc. and Globex Mining Enterprises Inc. He is also currently an officer and director of SynCoal Solutions Inc., a private company focused on advancing a pre-combustion coal upgrading technology.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director, officer, promoter of the Corporation, or a security holder anticipated to hold sufficient securities of the Corporation to affect materially the control of the Corporation, within 10 years before the date of this prospectus, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Charles G. Gryba, the proposed Vice President Technical of the Corporation, was an officer of First Metals Inc. ("**First Metals**"). On April 17, 2009, First Metals (TSX: FMA), made and filed with the Official Receiver, a proposal (the "**Proposal**") to its creditors pursuant to Part III of the *Bankruptcy and Insolvency Act* (Canada). An amended proposal was tabled and accepted by the creditors of the Corporation on May 6, 2009 and subsequently on June 17, 2009, it was approved by the Ontario Superior Court of Justice.

Jeffrey L. Vigil, the proposed Chief Financial Officer of the Corporation, was also the Chief Financial Officer of Koala Corporation (formerly OTCBB: KARE) ("**Koala**"), from May 15, 1996 to March 19, 2007. On March 23, 2007, Koala filed a voluntary petition for bankruptcy protection under Chapter 11 in the U.S. Bankruptcy Court for the District of Colorado (the "**Court**"). Koala's Plan of Reorganization (dated May 18, 2007, as amended July 26, 2007 and modified on August 28, 2007), was filed by Koala and confirmed pursuant to an Order entered by the Court, on August 28, 2007.

Penalties and Sanctions

No proposed director, officer, promoter of the Corporation, or a security holder anticipated to hold sufficient securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body including a self-regulatory body that would be likely to be considered important to a reasonable security holder making a decision about a Qualifying Transaction.

Personal Bankruptcies

No director, officer or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Conflicts of Interest

There are potential conflicts of interest to which the directors, proposed directors, officers and promoters of the Corporation will be subject with respect to the operations of the Corporation. Certain of the directors, proposed directors and/or officers serve as directors and/or officers of other companies or have significant shareholdings in other companies. Situations may arise where the directors, officers and promoters of the Corporation will be engaged in direct competition with the Corporation. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the ABCA. The ABCA requires that directors and officers of the Corporation, who are also directors or officers of a party which enters into a material contract with the Corporation or otherwise have a material interest in a material contract entered into by the Corporation, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Corporation's directors to approve the contract.

Other Reporting Issuer Experience

The following directors, officers or promoters of the Corporation or proposed directors or officers of the Corporation are, or within the past five (5) years have been, directors, officers or promoters of the following reporting issuers (other than the Corporation):

Name	Name of Reporting Issuer	Name of Exchange/ Market	Position	Term
Abraham P. Drost	Mega Precious Metals Inc.	TSXV	Director	March 2009 – Present
	Skybridge Development Corp.	TSXV	President, Chief Executive Officer and Director	May 2008 – March 2009
	Source Exploration Corp.	TSXV	President, Chief Executive Officer	July 2008 – September 2009
	Source Exploration Corp.	TSXV	Director	Sept. 2007 – September 2009
	Marksmen Capital Inc.	TSXV	Director	March 2008 - Present
	Sabina Silver Corporation	TSXV	President	Dec. 2004 - August 2007
	Sabina Silver Corporation	TSXV	Director	Sept. 2004 - June 2008
Charles G. Gryba	First Metals Inc.	TSX	Chief Operating Officer and Director	May 2006 - June 2008
			Vice President Business Development	June 2008 - Present
	Washmax Corp.	NEX	Director	June 2007 - Present
	South American Gold and Copper Company Limited	TSX	Director	Feb. 2006 - April 2006
	Groundstar Resources Limited	TSXV	Vice President and Director	Feb. 2005 - May 2005
	Groundstar Resources Limited	TSXV	President and Director	Oct. 2004 - Feb. 2005
Joel D. Schneyer	Rupert Resources Ltd.	TSXV	Director	Oct. 1999 - July 2006
	Etruscan Resources Inc.	TSX	Director	May 2005 - Present
	Globex Mining Enterprises Inc.	TSX	Director	Feb. 1997 - Present
	Emgold Mining Corporation	TSXV	Director	June 2004 - Nov. 2006

EXECUTIVE COMPENSATION

Sandspring

Summary Compensation Table

The following table sets forth the compensation paid to Sandspring's Chief Executive Officer and Chief Financial Officer (the "**Sandspring Named Executive Officer**") for the year ended December 31, 2008 for services rendered to Sandspring. There were no other named executive officers of Sandspring for the year ended December 31, 2008:

Summary Compensation Table

Name and principal position	Year	Salary ($)	Share -based award s ($)	Option-based awards ($)(1)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensa -tion ($)	Total compensa - tion ($)
					Annual incentive plans	Long term incentiv e plans			
Mark C. Maier President, Chief Executive Officer and Chief Financial Officer	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

(1) 133,334 stock options were granted on May 15, 2007 and are exercisable at a price of $0.10 until May 15, 2012.

Incentive Plan Awards - Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards to the Named Executive Officer that are outstanding at December 31, 2008.

Outstanding Share-Based Awards and Option-Based Awards at December 31, 2008

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options(1) ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Mark C. Maier President, Chief Executive Officer and Chief Financial Officer	133,334	$0.10	May 15, 2012	N/A	Nil	Nil

Note:

(1) The Sandspring Shares commenced trading on August 24, 2007 and were immediately halt traded pending the announcement of the Qualifying Transaction. Trading in the Sandspring Shares has not resumed and accordingly the value of the unexercised options is indeterminable.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's during the year ended December 31, 2008 of option-based awards, share-based awards and non-equity incentive plan compensation for Named Executive Officer of the Corporation.

Value Vested or Earned of Incentive Plan Awards during the Financial Year Ended December 31, 2008

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Mark C. Maier President, Chief Executive Officer and Chief Financial Officer	- (1)	n/a(1)	nil

Note:

(1) The Sandspring Shares commenced trading on August 24, 2007 and were immediately halt traded pending the announcement of the Qualifying Transaction. Trading in the Sandspring Shares has not resumed and accordingly the value of the options is indeterminable.

Pension Plan Benefits - Defined Benefit Plans Table

Sandspring does not have a pension, retirement or similar plan.

Deferred Compensation Plans

Sandspring does not have a deferred compensation plan.

Termination of Employment, Change in Responsibilities and Employment Contracts

Sandspring currently has no employment contracts with the Sandspring Named Executive Officer and does not have any compensatory plan, contract or arrangement whereunder the Sandspring Named Executive Officer is entitled to receive more than $100,000 from Sandspring in the event of resignation, retirement or termination of the Sandspring Named Executive Officer's employment, a change of control of Sandspring or its subsidiaries or a change in responsibility following a change in control. Other than as disclosed below, prior to the completion of the Qualifying Transaction, no payment of any kind has been made or will be made, directly or indirectly, by Sandspring to a non-arm's length party to Sandspring or a non-arm's length party to the Qualifying Transaction or to any person engaged in investor relations activities in respect of the securities of Sandspring. See "Qualifying Transaction." Sandspring may reimburse non-arm's length parties for Sandspring's reasonable allocation of rent, secretarial services and other general administrative expense, at fair market value.

Director Compensation - Director Compensation Table

No compensation was paid to the directors of the Corporation during the year ended December 31, 2008.

Anticipated Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at December 31, 2008.

Outstanding Share-Based Awards and Option-Based Awards at December 31, 2008

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[3] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Mark C. Maier	133,334[1]	0.10[2]	May 12, 2012	-	Nil	Nil
Charles C. Gryba	133,333[1]	0.10[2]	May 12, 2012	-	Nil	Nil
Joel D. Schneyer	133,333[1]	0.10[2]	May 12, 2012	-	Nil	Nil

Notes:

(1) These options were granted in connection with the IPO.

(2) The exercise price of these options is equal to the price of the Sandspring Shares issued pursuant to the IPO.

(3) The Sandspring Shares commenced trading on August 24, 2007 and were immediately halt traded pending the announcement of the Qualifying Transaction. Trading in the Sandspring Shares has not resumed and accordingly the value of the unexercised options is indeterminable.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2008

The following table sets forth information in respect of the value vested or earned during the Corporation's year ended December 31, 2008 option-based awards, share-based awards and non-equity incentive plan compensation for directors of the Corporation.

Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2008

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Mark C. Maier	- [1]		
Charles C. Gryba	-[1]		
Joel D. Schneyer	-[1]		

Note:

(1) The Sandspring Shares commenced trading on August 24, 2007 and were immediately halt traded pending the announcement of the Qualifying Transaction. Trading in the Sandspring Shares has not resumed and accordingly the value of the options is indeterminable.

GoldHeart

Summary Compensation Table

The following table sets forth the compensation paid to GoldHeart's Chief Executive Officer and Executive Vice President (the "**GoldHeart Named Executive Officers**") for the year ended December 31, 2008 for services rendered to GoldHeart. There were no other named executive officers of GoldHeart for the year ended December 31, 2008:

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compensa -tion ($)	Total compensa - tion ($)
					Annual incentive plans	Long term incentiv e plans			
John R, Adams, President, Chief Executive Officer	2008	51,693	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard A. Munson Chief Financial Officer	2008	174,466	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards - Share-Based Awards and Option-Based Awards

GoldHeart has not granted any share-based or option-based awards to the GoldHeart Named Executive Officers.

Incentive Plan Awards – Value Vested or Earned During the Year

GoldHeart has not granted any of option-based awards, share-based awards and non-equity incentive plan compensation to the GoldHeart Named Executive Officers.

Pension Plan Benefits - Defined Benefit Plans Table

GoldHeart does not have a pension, retirement or similar plan.

Deferred Compensation Plans

GoldHeart does not have a deferred compensation plan.

Termination of Employment, Change in Responsibilities and Employment Contracts

GoldHeart does not have in place, any formal employment, management or similar contracts.

Director Compensation

No compensation of any form was paid to the directors of GoldHeart during the year ended December 31, 2008 and there have been no option-based awards, share-based awards and non-equity incentive plan compensation granted or paid to the directors of GoldHeart.

STATEMENT OF PROPOSED EXECUTIVE COMPENSATION OF THE CORPORATION UPON COMPLETION OF THE ACQUISITION

Discussion and Analysis

Prior to the completion of its Qualifying Transaction, the Corporation was prohibited, pursuant to the policies of the Exchange, from making certain payments to non-arm's length parties including payments in respect of salaries, consulting fees, management contract fees, directors' fees, loans, advances and bonuses and accordingly the Corporation did not make, during the financial year ended December 31, 2008 and until the completion of the Qualifying Transaction will not make, any cash payment of any kind, directly or indirectly, to its executive officers or directors.

Upon completion of the Acquisition, it is anticipated that the Corporation will establish a compensation committee (the "**Compensation Committee**") to formulate and administer an executive compensation program. It is anticipated that the executive compensation program will be comprised of two principal elements including base salaries and incentive stock options, which are designed to provide a combination of cash and equity–based compensation to effectively compensate, attract, retain and motivate the directors and executive officers of the Corporation and to closely align the personal interests of such persons to those of the shareholders of the Corporation.

It is also anticipated that the Compensation Committee will recommend how much, if any, cash compensation will be paid to directors for services rendered by directors, in such capacity, to the Corporation, however, it is not anticipated that directors who are otherwise employed by or engaged to provide services to the Corporation, will be paid any cash compensation for their services as directors. Notwithstanding the foregoing, it is anticipated that all directors will be primarily compensated for their services as directors through the granting of stock options in such amounts and upon such terms as may be recommended by the Compensation Committee and approved by the Corporation's directors from time to time.

Base Salaries

It is anticipated that base salaries for executive officers of the Corporation will be reviewed annually in view of corporate and personal performance objectives, based on individual levels of responsibility. Presently it is not anticipated that salaries of the executive officers of the Corporation will be determined based on benchmarks or a specific formula, however, benchmarks, performance goals and other specific criteria may be developed as the Corporation matures.

Option Based Awards

The Corporation has adopted the Sandspring Stock Option Plan that provides for the Board of Directors of the Corporation to grant, from time to time, in its discretion, and in accordance with the Exchange requirements to its directors, officers, employees and technical consultants, non-transferable options to purchase Common Shares provided that the number of Common Shares reserved for issuance under the Sandspring Stock Option Plan does not exceed 10% of the issued and outstanding Common Shares. Pursuant to Exchange requirements, no options will be granted to employees under the Sandspring Stock Option Plan until after the Final Exchange Bulletin has been issued. Such options will be exercisable for a period of up to 5 years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options may be exercised the greater of 12 months after Completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

It is anticipated that the process for determining option based awards for executive officers and directors of the Corporation will be solely based on discussions by the Compensation Committee, members of the Board of Directors of the Corporation and the executive team, without any formal objectives, criteria and analysis.

Other Components

The Corporation does not anticipate providing any pension or retirement benefits to its executive officers.

Summary of Anticipated Compensation

The following table discloses the anticipated compensation for each of the Corporation's four (4) most highly compensated executive officers, in addition to the proposed Chief Executive Officer (the "**Named Executive Officers**"), for the twelve (12) month period commencing upon the completion of the Acquisition, (the "**Corporation's First 12 Month Period**").

Summary Compensation Table – Anticipated Compensation

Name and proposed principal position[(1)]	Year[(2)]	Salary ($)	Share-based awards ($)	Estimated Option-based awards[(3)] ($)	Non-equity incentive plan compensation ($) Annual incentive plans	Long term incentive plans	Pension value ($)	All other compen-sation[(4)] ($)	Total compen-sation ($)
Abraham P. Drost, President	2009 / 2010	190,000	Nil	66,807	Nil	Nil	Nil	Nil	256,807
Richard A. Munson, CEO and Corporate Secretary	2009 / 2010	190,000	Nil	33,403	Nil	Nil	Nil	Nil	223,403
Charles G. Gryba, VP Technical	2009 / 2010	150,000	Nil	88,100	Nil	Nil	Nil	Nil	238,100
Jeffrey L. Vigil, CFO	2009 / 2010	110,000	Nil	20,042	Nil	Nil	Nil	Nil	130,042

Notes:

(1) The above-referenced individuals are the only proposed executive officers of the Corporation upon completion of the Acquisition.

(2) Represents the Corporation's first 12 month period after completion of the Acquisition. As disclosed throughout this prospectus, the closing of the Acquisition is dependent on and subject to, various factors, including: (i) the satisfaction of various conditions precedent; (ii) the requirement for receipt of various approvals; and (iii) the presence of various risks, some of which are beyond the control of the Corporation and GoldHeart and all of which may limit the ability of the Corporation and GoldHeart to close the Acquisition in the timeline anticipated or at all.

(3) The estimated value of the option-based awards represents the estimated compensation value of options granted, as of the date of grant (or date of vesting, as the case may be). The grant value for options granted is calculated through the use of the Black-Scholes model. The option grant compensation value reflects the full 5-year life of the options as well as assumptions for volatility and risk-free interest rate and assumes no future dividends.

(4) It is anticipated that the Employment Agreements will entitle the above-noted individuals, upon the occurrence of a change of control, to receive compensation equal to one (1) times the amount of their respective salaries, as calculated at the time of the change of control. The terms of the Employment Agreements, however, have not yet been finalized.

Incentive Plan Awards - Anticipated Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all proposed share-based awards and option-based awards anticipated to be outstanding after the Corporation's first 12 month period after completion of the Acquisition, to the Named Executive Officers of the Corporation.

Anticipated Share-Based Awards and Option-Based Awards outstanding at the end of the Corporation's First 12 Month Period

	Option-based Awards				Share-based Awards	
Name[(1)]	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Estimated Value of unexercised in-the-money options[(6)] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Abraham P. Drost	500,000	$0.50[(4)]	[(5)]	66,807	Nil	Nil
Richard A. Munson	250,000	$0.50[(4)]	[(5)]	33,403	Nil	Nil
Charles G. Gryba	133,333[(2)] 659,366	0.10[(3)] $0.50[(4)]	May 15, 2012 [(5)]	 88,100	Nil	Nil
Jeffrey L. Vigil	150,000	$0.50[(4)]	[(5)]	20,042	Nil	Nil

Notes:

(1) The above-referenced individuals are the only proposed executive officers of the Corporation upon completion of the Acquisition.

(2) These options were issued in connection with the IPO.

(3) The exercise price of these options is equal to the price of the Sandspring Shares issued pursuant to the IPO.
(4) The exercise price of these options is equal to the price of the Sandspring Shares to be issued pursuant to the Private Placement.
(5) These options will expire on the day that is five (5) years from the date of the granting thereof.
(6) The estimated value of the option-based awards represents the estimated compensation value of options granted, as of the date of grant (or date of vesting, as the case may be). The grant value for options granted is calculated through the use of the Black-Scholes model. The option grant compensation value reflects the full 5-year life of the options as well as assumptions for volatility and risk-free interest rate and assumes no future dividends.

Anticipated Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the estimated value vested or earned during the Corporation's first 12 month period after completion of the Acquisition, of option-based awards, share-based awards and non-equity incentive plan compensation for Named Executive Officers of the Corporation.

Anticipated Estimated Value Vested or Earned during the Corporation's First 12 Month Period

Name	Estimated Option-based awards – Value vested during the year ($)[1]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Abraham P. Drost	66,807	Nil	Nil
Richard A. Munson	33,403	Nil	Nil
Charles G. Gryba	88,100	Nil	Nil
Jeffrey L. Vigil	20,042	Nil	Nil

Note:
(1) Of the 500,000 options granted to Abraham Drost, 250,000 will vest immediately upon Closing and the remaining 250,000 will vest 6 months after Closing. All options granted to Messrs. Munson, Gryba and Vigil in connection with the Qualifying Transaction, will vest as to 25% at Closing and as to the remaining 75%, equal 25% tranches will vest on the last day of each of the following three (3) calendar quarters after Closing.

Anticipated Pension Plan Benefits - Defined Benefit Plans Table

It is anticipated that the Corporation will not implement a pension or retirement plan in the foreseeable future.

Deferred Compensation Plans

It is anticipated that the Corporation will not implement a deferred compensation plan in the foreseeable future.

Termination and Change of Control Benefits

It is anticipated that other than as described below, the Corporation will not enter into any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, change in control of the Corporation or change in the Named Executive Officer's responsibilities.

It is intended that the Corporation will enter into the Employment Agreements with Richard A. Munson, the proposed President and Chief Executive Officer of the Corporation, Jeffrey L. Vigil, the proposed Chief Financial Officer of the Corporation and Charles G. Gryba, the proposed Vice President Technical of the Corporation.

In addition, it is anticipated that the Employment Agreements will contain provision to compensate the above-noted individuals in the event of the termination of employment for any reason that does not constitute just cause or in the case of a change of control of the Corporation. In the event of termination without just cause, it is anticipated that Mr. Drost will be entitled to receive an amount equal to two (2) times the sum of his then annual salary, while Messrs. Munson, Gryba and Vigil will be entitled to receive an amount equal to one (1) times the sum of their respective then annual salaries. The compensation to be payable in the event of a change of control, for each of Messrs. Drost, Munson, Gryba and Vigil, is anticipated to be equal to one (1) times the sum of the respective then annual salary of each individual. The terms of the Employment Agreements, however, have not yet been finalized and ultimately may differ from the terms currently anticipated.

Anticipated Director Compensation - Director Compensation Table

The following table sets forth information in respect of all amounts of compensation anticipated to be provided to the directors of the Corporation's first 12 month period upon completion of the Acquisition.

Name	Fees earned ($)[1]	Share-based awards ($)	Estimated Option-based awards ($)[4]	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Estimated Total ($)
John R. Adams[2]	0	Nil	33,403	Nil	Nil	Nil	155,131
Mark C. Maier	0	Nil	81,419	Nil	Nil	Nil	74,053
Richard A. Munson	N/A[3]	Nil	N/A[3]	N/A	Nil	N/A[3]	Nil[3]
Joel D. Schneyer	0	Nil	81,419	Nil	Nil	Nil	74,053

Notes:

(1) Anticipated Director compensation to be expected to be deferred until second year period.

(2) Mr. Adams will serve as Lead Director of the Corporation's Board of Directors.

(3) Mr. Munson is a Named Executive Officer and therefore, compensation received by this individual is reflected in the Summary Compensation Table. It is anticipated that only non-executive directors of the Corporation will receive fees for attendance at meetings of the Board of Directors of the Corporation and its sub-committees; accordingly, Mr. Munson will not receive any compensation for his attendance at such meetings.

(4) The estimated value of the option-based awards represents the estimated compensation value of options granted, as of the date of grant (or date of vesting, as the case may be). The grant value for options granted is calculated through the use of the Black-Scholes model. The option grant compensation value reflects the full 5-year life of the options as well as assumptions for volatility and risk-free interest rate and assumes no future dividends.

Anticipated Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards anticipated to be outstanding at the end of the Corporation's first 12 month period upon completion of the Acquisition to the directors of the Corporation.

Share-Based Awards and Option-Based Awards anticipated to be outstanding at the end of the Corporation's First 12 Month Period

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[6] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
John R. Adams	250,000	0.50[3]	[5]	-	Nil	Nil
Mark C. Maier	133,334[2] 609,366	0.10[4] 0.50[3]	May 12, 2012 [5]	-	Nil	Nil
Richard A. Munson	N/A[1]	N/A[1]	N/A[1]	-	Nil	Nil
Joel D. Schneyer	133,333[2] 609,368	0.10[4] 0.50[3]	May 12, 2012 [5]	-	Nil	Nil

Notes:

(1) Mr. Munson is a Named Executive Officer and therefore, compensation received by this individual is reflected in the Summary Compensation Table.

(2) These options were granted in connection with the IPO.

(3) The exercise price of these options is equal to the price of the Sandspring Shares to be issued pursuant to the Private Placement.

(4) The exercise price of these options is equal to the price of the Sandspring Shares issued pursuant to the IPO.

(5) These options will expire on the day that is five (5) years from the date of the granting thereof.

(6) The estimated value of the option-based awards represents the compensation value of options granted, as of the date of grant (or date of of vesting, as the case may be). The grant value for options granted is calculated through the use of the Black-Scholes model. The option grant compensation value reflects the full 5-year life of the options as well as assumptions for volatility and risk-free interest rate and assumes no future dividends.

Anticipated Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's first 12 month period upon completion of the Acquisition of option-based awards, share-based awards and non-equity incentive plan compensation for directors of the Corporation.

Incentive Plan Awards – Anticipated Value Vested or Earned during the Corporation's First 12 Month Period

Name	Estimated Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
John R. Adams	33,403	Nil	Nil
Mark C. Maier	81,419	Nil	Nil
Richard A. Munson	N/A[(1)]	N/A[(1)]	N/A[(1)]
Joel D. Schneyer	81,419	Nil	Nil

Notes:

(1) Mr. Munson is a Named Executive Officer and therefore, compensation received by this individual is reflected in the Summary Compensation Table.

(2) All options granted to Mr. Adams and 100,000 options granted to Messrs. Maier and Schneyer in connection with the Qualifying Transaction, will vest as to 25% at Closing and as to the remaining 75%, equal 25% tranches will vest on the last day of each of the following three (3) calendar quarters after Closing.

Indebtedness of Directors, Executive Officers and Other Management

No director, executive officer, promoter, member of management, nominee for election as director of the Corporation, nor any of their Associates or Affiliates, is or has been indebted to the Corporation.

Options to Purchase Securities

As at the Effective Date, the Corporation has reserved an aggregate of 400,000 Sandspring Shares for issuance upon exercise of the Directors' and Officers' Options. Concurrent with the closing of the Acquisition, the Corporation expects to grant options to purchase an additional 3,828,100 Sandspring Shares, to certain directors, officers, employees and technical consultants of the Corporation and its subsidiaries pursuant to the Sandspring Stock Option Plan. Accordingly, upon completion of the Acquisition, it is expected that the Corporation will have options to purchase an aggregate of 4,228,100 Sandspring Shares issued and outstanding pursuant to the Sandspring Stock Option Plan.

The following table describes the material attributes of the options anticipated to be granted to the proposed directors, officers, employees and technical consultants of the Corporation, pursuant to the Sandspring Stock Option Plan, that will, if so granted, be issued and outstanding upon completion of the Acquisition:

Category of Optionee	Number of Options to Purchase Sandspring Shares	Option Exercise Price[(1)]
All Executive Officers of the Corporation Upon Completion of Acquisition (4)	1,559,366[(2)] 133,333[(3)]	$0.50 $0.10
All Directors of the Corporation Upon Completion of Acquisition (excluding Officers) (3)	1,468,734[(2)] 266,667[(2)]	$0.50 $0.10
All Employees of the Corporation Upon Completion of the Acquisition (3)	425,000[(2)]	$0.50
All Consultants of the Corporation Upon Completion of the Acquisition (6)	375,000[(2)]	$0.50
Total	**4,228,100**	

Notes:

(1) The exercise price of these options is equal to: (i) in the case of options exercisable at a $0.10 exercise price, the issue price of Sandspring Shares issued pursuant to the IPO; and (ii) in the case of options exercisable at a $0.50 exercise price, the issue price of Sandspring Shares to be issued pursuant to the Private Placement.

(2) These options have not yet been granted and are anticipated to be granted in connection with and at the closing of the Acquisition. These options will expire five years from the date of grant.

(3) These options were granted in connection with the IPO and will expire on May 15, 2012. These options were granted before the date that trading of the Sandspring Shares commenced on the TSXV.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No existing or proposed director or executive officer of Sandspring or GoldHeart, or any associate of any of them, was indebted to Sandspring or GoldHeart, as applicable, as at December 31, 2008, or are currently indebted to Sandspring or GoldHeart or any of their subsidiaries, as applicable, or has any indebtedness to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Sandspring or GoldHeart or any of their subsidiaries.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Sandspring

Board of Directors

The board of directors of Sandspring (the "**Sandspring Board**") maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent. The independent members of the Sandspring Board are Joel Schneyer and Charles Gryba. Mark Maier is not considered to be independent with the meaning of NI 52-110 by virtue of his position as an executive officer of Sandspring.

Other Public Company Directorships

See "Directors and Officers – Other Reporting Issuer Experience" for the directorships in other reporting issuers of the members and proposed members of the Sandspring Board.

Orientation and Continuing Education of Board Members

New members of the Sandspring Board will receive an orientation package which includes reports on operations and results, a policy manual, and public disclosure filings by Sandspring. Meetings of the Sandspring Board are sometimes held at Sandspring's facilities or by conference call, and are combined with presentations by Sandspring's management to give the directors additional insight into Sandspring's business. In addition, management of Sandspring makes itself available throughout the year for discussion with all members of the Sandspring Board.

Ethical Business Conduct

The Sandspring Board has found that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Sandspring Board in which the director has an interest, have been sufficient to ensure that the Sandspring Board operates independently of management and in the best interests of Sandspring.

Nomination of Directors

The size of the Sandspring Board will be reviewed annually when the Sandspring Board considers the number of directors to recommend for election at the annual meeting of shareholders. The Sandspring Board takes into account the number of directors required to carry out the duties of the Sandspring Board effectively, and to maintain a diversity of view and experience.

Compensation of Directors and Officers

The directors and officers of Sandspring do not currently receive any compensation.

Other Board Committees

The Sandspring Board has no standing committees other than the Audit Committee.

Assessment of Directors, the Board and Board Committees

The Sandspring Board monitors the adequacy of information given to directors, the communications between the Sandspring Board and management and the strategic direction and processes of the Sandspring Board and its Audit Committee in order to satisfy itself that the Sandspring Board, its Audit Committee and its individual directors are performing effectively.

Audit Committee Mandate

The Audit Committee is a committee of the Sandspring Board established for the purpose of overseeing the accounting and financial reporting process of Sandspring and annual external audits of the consolidated financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to Sandspring's internal accounting standards and practices, financial information, accounting systems and procedures.

Composition of the Audit Committee

The audit committee of Sandspring (the "**Audit Committee**") will consist of John R. Adams, Mark C. Maier and Joel D. Schneyer upon completion of the Acquisition. Joel D. Schneyer will be considered to be independent. Although John R. Adams and Mark C. Maier are not considered to be independent with the meaning of NI 52-110 given their respective position as executive officer or past executive officer, the board of directors of Sandspring do not view these relationships as impairing the ability of the audit committee or board to act independently of management in accordance with NI 52-110. All proposed members are considered to be financially literate.

Relevant Education and Experience of Audit Committee Members

John R. Adams — See "Directors and Officers — Biographies".

Mark C. Maier — See "Directors and Officers — Biographies".

Joel D. Schneyer — See "Directors and Officers — Biographies".

External Auditor Service Fees (By Category)

The following table discloses the fees billed to Sandspring by its external auditor during the last two financial years:

Financial Year Ended	Audit Fees	Audited-Related Fees(1)	Tax Fees(2)	All Other Fees(3)
2008	7,313	nil	5,009	nil
2007	13,356	nil	nil	nil

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the "Audit Fees" column.
(2) The aggregate fees billed for tax compliance, tax advice and tax planning services.
(3) The aggregate fees billed for professional services other than those listed in the other three columns.

Reliance on Certain Exemptions

During the most recently completed financial year, Sandspring, as a "venture issuer", has relied on the exemptions provided by section 6.1 of NI 52-110 with respect to Part 3 - *Composition of the Audit Committee* and Part 5 — *Reporting Obligations*. Upon completion of the Qualifying Transaction the Corporation intends to fully comply with the requirements of NI 52-110.

Board of Directors of GoldHeart

The board of directors of GoldHeart (the "**GoldHeart Board**") is comprised of John R Adams, Richard A. Munson and P. Gregory Barnes. Messrs. Adams and Munson are anticipated to become directors of the Corporation upon completion of the Acquisition. See "Directors and Officers".

Other Public Company Directorships

See "Directors and Officers – Other Reporting Issuer Experience" for directorships in other reporting issuers.

Board of Directors of GoldHeart Assessments

To date, the process for evaluating individual members of the GoldHeart Board and the GoldHeart Board as a whole has been informal. In the future, a Corporate Governance, Compensation and Human Resources Committee will be established and will prepare formal procedures for assessing individual directors, committees and the board of directors of the Corporation as a whole.

GoldHeart does not have, and as a private company is not required to have, an audit committee, however, as disclosed above, Sandspring has an audit committee and upon completion of the Acquisition, the Corporation will have an audit committee that is compliant with applicable securities laws, including NI 52-110 and the policies of the TSXV. See "Directors and Officers" and "Audit Committee of the Corporation Following Completion of the Acquisition" below.

Audit Committee and Corporate Governance of the Corporation Following Completion of the Acquisition

Upon completion of the Acquisition, the Corporation will have an audit committee appointed by its board of directors, which will adhere to the board independence and financial literacy requirements of applicable securities and stock exchange legislation and policy. It is anticipated that the mandate of the Corporation's audit committee will include: (i) reviewing the annual audited financial statements and the Auditors' Report thereon prior to submission to the directors of the Corporation for approval; (ii) reviewing the quarterly financial statements prior to submission to the directors of the Corporation for approval; (iii) reviewing the scope of the Corporation's external and internal audits; (iv) reviewing and discussing accounting and reporting policies and changes in accounting principles; (v) reviewing the Corporation's internal control systems and procedures; and (vi) meeting with the external auditors independently of management of the Corporation.

Upon completion of the Acquisition, it is anticipated that the Corporation will, in addition to an audit committee, establish certain other committees, including committees whose mandate will be to oversee corporate governance, reserves and compensation. While the specific mandate and role of these committees will be determined by the Corporation following completion of the Acquisition, it is expected that the mandate and role of these committees will be similar to the mandate and role of similar committees constituted by entities comparable to the Corporation. The individuals intended to be members of the Corporation's corporate governance committee, reserves committee and compensation committee upon the completion of the Acquisition, are set out in this prospectus. See "Directors and Officers".

PLAN OF DISTRIBUTION

This prospectus qualifies the distribution of Qualified Securities issuable upon the exercise or deemed exercise of the 17,143,000 previously issued Subscription Receipts and the Compensation Option Receipts. The Subscription Receipts were sold to subscribers at a price of $0.35 per Subscription Receipts for aggregate proceeds of $6,000,050 which amount less the Underwriter's Commission and certain expenses was deposited into escrow pursuant to the terms of the Subscription Receipt Agreement. The Escrowed Funds will be released to the Corporation from escrow upon satisfaction of the Escrow Release Conditions including accrued interest on such amount and less the balance of the Underwriter's expenses payable. The Corporation shall use the Escrowed Funds primarily to conduct the Work Program upon completion of the Acquisition and for general working capital purposes.

Pursuant to the terms of the Underwriting Agreement dated August 14, 2009, among the Corporation, GoldHeart, ETK and the Underwriters, the Corporation issued an aggregate of 17,143,000 Subscription Receipts pursuant to exemptions from the prospectus requirements under applicable securities laws in accordance with subscription agreements entered into between the Corporation and subscribers. The terms of the Private Placement, including the offering price of the Subscription Receipts were determined by negotiation between the Corporation, GoldHeart and the Lead Underwriter.

In consideration of the services to be rendered by the Underwriters in connection with the Private Placement, the Underwriters' Commission, equal to 8% of the total gross proceeds of the Private Placement, was paid by the Corporation to the Underwriters and 1,714,300 Compensation Option Receipts were issued to the Underwriters as directed by Research.

The Corporation has agreed that it will not directly or indirectly sell or offer to sell any securities until that date that is 120 days following the Closing, subject to certain limited exceptions.

The Subscription Receipts were created and issued pursuant to the provisions of the Subscription Receipt Agreement. The Subscription Receipt Agreement provides, among other things, that holders of Subscription Receipts are entitled to receive in respect of each Subscription Receipt held, without additional consideration and without any further action on the part of the holder, one Share and one half of one Warrant subject to adjustment in certain circumstances.

The Corporation has agreed to use its best efforts to file a final prospectus qualifying the issuance and distribution of the Qualified Securities issuable upon exercise of the Subscription Receipts in Alberta, British Columbia, Saskatchewan and Ontario and obtain a receipt from the applicable principal regulator which confirms that a receipt has been issued by each of the securities regulatory authorities in each of the Offering Jurisdictions for such final prospectus pursuant to National Policy 11-202 Process for Prospectus Reviews in Multiple Jurisdictions and Multilateral Instrument 11-102 Passport System (the "**Final Receipt**") by no later than the Qualification Deadline.

In the event that the Final Receipt is not obtained on or before the Qualification Deadline, each Subscription Receipt shall thereafter be exercised or converted for no additional consideration, into 1.1 Share and .55 Warrant (in lieu of one Share and one half Warrant). This prospectus qualifies the distribution of any Additional Shares (as defined herein) issuable upon exercise of the Subscription Receipts.

The Subscription Receipts will be deemed to be exercised into Shares and Warrants on the satisfaction of the Escrow Release Conditions including (i) the Corporation having received all necessary regulatory approval from the TSXV for the listing of the Shares, the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares; (ii) satisfaction of all conditions pursuant to the Acquisition Agreement and the completion of the Acquisition; and (iii) the issuance of a final passport decision document in respect of a final prospectus to be filed by the Corporation qualifying the distribution of the Qualified Securities underlying the Subscription Receipts, which evidence a receipt on behalf of each of the securities regulatory authorities in the Offering Jurisdictions on or before December 12, 2009.

Warrants will be created and issued pursuant to the terms of the Warrant Indenture to be entered into between Sandspring and the Warrant Agent. Each Warrant will entitle the holder thereof to acquire one Warrant Share at an exercise price of $0.50 until the date which is 36 months following the date of the completion of the Qualifying Transaction.

The Warrant Indenture will contain provisions intended to protect the holders of the Warrants against dilution upon the happening of certain events. No fractional Warrant Shares will be issued upon the exercise of any Warrants. See "Description of the Securities Distributed — Warrants". The Offering Price was determined by negotiation between Sandspring, GoldHeart and the Underwriters based upon several factors and may bear no relationship to the price that will prevail in the public market.

The Subscription Receipts, Shares and Warrants have not been and will not be registered under the *United States Security Act of 1933,* as amended, or "blue sky" laws of any of the states of the United States. Accordingly, the Subscription Receipts, Shares and Warrants may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the *United States Security Act of 1933,* as amended, and applicable state securities laws.

Certificates representing the Shares and Warrants issuable upon exercise of the Subscription Receipts will be available for delivery upon the exercise or deemed exercise of the Subscription Receipts.

CONDITIONAL LISTING APPROVAL

The TSXV has conditionally approved the Private Placement and listing of the Shares, the Warrant Shares, the Compensation Shares and the Compensation Warrants subject to the Corporation completing the Qualifying Transaction. The Corporation has applied to the TSXV to approve the Acquisition as a Qualifying Transaction subject to the Corporation fulfilling all of the requirements of the TSXV.

RISK FACTORS

AN INVESTMENT IN SECURITIES OF SANDSPRING IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Sandspring is a Capital Pool Company that intends to complete the Acquisition as described elsewhere in this prospectus as its Qualifying Transaction. Prior to making an investment decision, prospective investors should carefully consider the information presented in this prospectus in connection with the securities of Sandspring offered hereunder, in addition to the risk factors set out below for Sandspring and GoldHeart assuming completion of the Acquisition. The securities of Sandspring offered hereunder must be considered highly speculative and an investment in such securities involves a high degree of risk. The risk factors outlined below are not a definitive list of all risk factors associated with an investment in the securities of Sandspring and investors are cautioned that they may lose their entire investment.

Risk Factors Relating to Sandspring

The Acquisition May Not Be Completed

The Acquisition is subject to final acceptance of the TSXV. There can be no assurance that all of the necessary regulatory and shareholder approvals will be obtained. If the Acquisition is not completed for these reasons or for any other reasons, Sandspring will have incurred significant costs associated with the failed implementation of the Acquisition.

Furthermore, Sandspring has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that Sandspring will be able to identify a suitable Qualifying Transaction in the future. Even if a proposed Qualifying Transaction is identified in the future, there can be no assurance that Sandspring will be able to successfully complete the Qualifying Transaction and the completion of such other Qualifying Transaction is subject to a number of conditions including acceptance by the TSXV and, in the case of a Non Arm's Length Qualifying Transaction (as defined in the TSXV Policies), approval of the majority of the minority shareholders.

Limited Operating History and History of Losses

Sandspring has not commenced commercial operations and has no assets other than cash. Sandspring has no history of earnings and will not generate earnings or pay dividends until, at earliest, after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, Sandspring is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transaction.

Limited Market for Securities

The Sandspring Shares are currently listed on the TSXV, however there can be no assurance that an active and liquid market for the Sandspring Shares will develop or be maintained and an investor may find it difficult to resell any securities of Sandspring. The TSXV may delist the Sandspring Shares in the event that the TSXV has not issued a Final Exchange Bulletin by February 24, 2010. Furthermore, trading in the Sandspring Shares is presently halted and there can be no assurance that trading will resume if the Acquisition is not completed.

Dilution

The Qualifying Transaction will be financed in all or part by the issuance of additional securities of Sandspring and this will result in further dilution to the investor, which dilution may be significant and which will also result in a change of control of Sandspring.

Management and Conflicts of Interest

The ability of Sandspring to successfully complete the Acquisition (which is intended to constitute the Qualifying Transaction) is dependent on the performance of its current directors and officers, who only devote a portion of their time to the business and affairs of Sandspring and are, or will be, engaged in other projects or businesses. The current directors, officers and promoters of Sandspring also serve as directors and/or officers of other companies which may compete with the businesses or assets targeted in the Acquisition. Accordingly, situations may arise where the directors, officers and promoters of Sandspring are in a position of conflict with Sandspring.

Risk Factors Relating to GoldHeart

Exploration and Mining Risks

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on the Toroparu Gold-Copper Prospect. There is no certainty that the expenditures to be made by the Corporation in the exploration of the Toroparu Gold-Copper Prospect described in this prospectus or otherwise, will result in discoveries of commercial quantities of minerals.

Further, ETK's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of base minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken by the Corporation, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Corporation will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) metal prices which are highly cyclical; and (iii) government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The precise effect of these factors cannot be accurately predicted, however, a combination of these factors may result in the Corporation not receiving an adequate return on invested capital.

Mineral Tenure in Guyana

There are certain risks associated with the Guyanese mineral tenure regime which are either not present, or are considerably reduced, in mineral tenure regimes in Canada and elsewhere. Such risks include the inability to definitively search government registries in Guyana for certain underlying small scale claims which may exist within areas subject to PPMSs, MPs and PLs, and the potential uncertainty regarding the ability of the holder of a PL or MP or medium scale permit to explore for minerals which are not specifically identified in the relevant license or permit. Also, ETK is not the registered holder of any of the PPMSs, MPs or small scale claims comprising the Upper Puruni Property as Guyana law prohibits these claims from being held in the name of a foreign controlled entity and limits their activities thereunder. Pursuant to the Upper Puruni Joint Venture, Alphonso has agreed to convert the 10 MPs and 7 small scale claims subject to the Upper Puruni Joint Venture into one or more large scale mining licences registered in ETK's name, however, the GGMC has not formally approved such conversion as of the date hereof.

No Assurance of Title to Assets

The acquisition of title to and the delineation and confirmation of the area of, a mineral property is a very detailed and time-consuming process and can be the subject of disagreement and dispute. There is no guarantee of title to the Toroparu Gold-Copper Prospect as described in this prospectus. The Toroparu Gold-Copper Prospect may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Title Dispute

Certain of the PPMS held pursuant to the Daniels Joint Venture Agreement are subject to a title dispute. The outcome of this dispute cannot be accurately predicted.

Commodity Prices

Factors beyond the control of the Corporation may affect the marketability and price of minerals discovered, if any. Resource prices have fluctuated widely in recent years and months and are affected by numerous factors beyond the control of the Corporation, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors cannot be accurately predicted.

Uninsurable Risks

The Target Business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's property interests or the properties of others, delays in mining, monetary losses and possible legal liability. It is not always possible to fully insure against such risks, and the Corporation may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Corporation.

It is anticipated that the Corporation will not be insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. It is anticipated that the Corporation will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine the appropriateness of obtaining such insurance. Without such insurance, and if the Corporation becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds available to the Corporation to pay such liabilities and could result in bankruptcy. Should the Corporation be unable to fund fully the remedial cost of an environmental incident, it could potentially be required to enter into interim compliance measures pending completion of the required remedy.

Operating Hazards and Risks

Operations in which the Corporation will have a direct or indirect interest, will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. Although the Corporation intends to maintain when reasonable and possible, liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Corporation could incur significant costs that could have a materially adverse effect upon its financial condition.

Permits and Licences

Operations of the Corporation will require licenses and permits from various governmental authorities. Although ETK believes it currently has all required licenses and permits for its operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such licenses and/ or permits for the existing operations or additional licenses and/ or permits for all future operations. The Corporation anticipates that it will be able to obtain in the future, all necessary licenses and permits to carry on the activities which it intends to conduct, and intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Corporation will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development or to place properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Toroparu Gold-Copper Prospect.

Current Global Financial Conditions

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Corporation to obtain equity or debt financing in the future and, if obtained, on terms favorable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the value and the price of the Corporations' common shares and other securities could continue to be adversely affected.

Political Risks

All of ETK's current operations are presently conducted in Guyana, South America and as such, are exposed to various levels of political, economic and other risks and uncertainties present in emerging nations. Such risks and uncertainties vary from country to country and include, but are not limited to: (i) currency exchange rates; (ii) high rates of inflation; (iii) labour unrest; (iv) renegotiation or nullification of existing concessions, licenses, permits and contracts; (v) changes in taxation policies; (vi) restrictions on foreign exchange and changing political conditions; (vii) currency controls; and (viii) governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Future political actions in Guyana cannot be predicted and may adversely affect the Corporation. Changes, if any, in mining or investment policies or shifts in political attitude in the country of Guyana may adversely affect the Corporation's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Corporation's consolidated business, results of *operations and financial condition.*

Competition

Competition in the mineral exploration business is intense and could adversely affect the ability of the Corporation to suitably develop the properties in which it holds its interests. The Corporation will be competing with many other exploration companies possessing greater financial resources and technical facilities. Accordingly, there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary mining equipment, as well as for access to funds. There can be no assurance that necessary funds can be raised by the Corporation or that any projected work will be completed.

Environmental Regulations

Mining operations are subject to federal, provincial and local laws relating to the protection of the environment, including laws regulating removal of natural resources from the ground and the discharge of materials into the environment. Mining operations are also subject to federal, provincial and local laws and regulations which require the Corporation to maintain health and safety standards by regulating the design and use of mining methods and equipment. Various permits from government bodies are required for mining operations to be conducted and no assurance can be given that such permits will be received. No assurance can be given that environmental standards imposed by federal, provincial or local authorities will not be changed or that any such changes would not have material adverse effects on the activities of the Corporation. Moreover, compliance with such laws may cause substantial delays or require capital outlays in excess of those anticipated, thus causing an adverse effect on the Corporation. Additionally, the Corporation may be subject to liability for pollution or other environmental damages, which it may be unable to *or which it may chose to not, insure against.*

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Unusual or infrequent weather, phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Corporation's future operations, financial condition and results of operations.

Reliance on Limited Number of Property Interests

The only property interests held by ETK, are held in connection with the Upper Puruni Joint Venture, the Daniels Joint Venture and the Godette Joint Venture. As a result, unless the Corporation acquires additional property interests, any adverse developments affecting any of the properties encompassed by the Upper Puruni Joint Venture, the Daniels Joint Venture and the Godette Joint Venture, could have a material adverse effect upon the Corporation and could materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Corporation.

Government Regulation

The mining, processing, development and mineral exploration activities of ETK are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Corporation's ability to undertake exploration and development activities in respect of present and future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date.

Although ETK believes that its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof, could have a substantial adverse impact on the Corporation.

Dependence on Key Personnel

The Corporation's future success and growth depends in part upon the experience of a number of key management personnel. If for any reason, any one or more of such key personnel do not continue to be active in the Corporation's management, the operations and business prospects of the Corporation could be adversely affected.

Resource Estimates Are Uncertain

Estimates of resources are subject to considerable uncertainty. Such estimates are, to a large extent, based on the price of gold and interpretations of geologic data obtained from drill holes and other exploration techniques. Producers use feasibility studies to derive estimates of capital and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the predicted configuration of the ore body, expected recovery rates of metals from the ore, the costs of comparable facilities, the costs of operating and processing equipment and other factors. Actual operating costs and economic returns on projects may differ significantly from original estimates.

Shortages of Critical parts, Equipment and Skilled Labour May Adversely Affect Operations and Development Projects

The mining industry has been increasingly impacted by increased demand for critical resources such as input commodities, drilling and other equipment and skilled labour. These shortages may cause unanticipated costs increases and delays, thereby impacting operating costs, capital expenditures and production schedules.

Uncertainty of Cost Estimates and Timing of New Projects

The capital expenditure and time required to develop new mines or other projects is considerable and changes in costs and/ or construction schedules, can affect project economics. There are a number of factors that can affect costs and construction schedules, including, among others:

- availability of labour, power, transportation, commodities and infrastructure;
- changes in input commodity prices and labour costs;
- fluctuations in currency exchange rates;
- availability and terms of financing;
- difficulty of estimating construction costs over a period of years;
- delays in obtaining environmental or other government permits;
- weather and severe climate impacts; and
- potential delays related to social and community issues.

Conflicts of Interest

Certain of the proposed directors of the Corporation are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Corporation will be required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board of Directors of the Corporation, any director in a conflict situation will be required to disclose his or her interest and abstain from voting in connection with the matter giving rise to the conflict. In determining whether or not the Corporation will participate in any project or opportunity, its directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at the relevant time.

ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, counsel to the Corporation and Gowling Lafleur Henderson LLP, counsel to the Underwriters, based on the provisions of the Tax Act, and the proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Shares and the Warrants will be "qualified investments" under the *Income Tax Act* (Canada) (the "**Tax Act**") , for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts ("**TFSAs**") (collectively, the "**Exempt Plans**"), provided that: (i) the Common Shares are listed on a designated stock exchange (which currently includes the TSX and the TSXV) at the time the Exempt Plan acquires the Shares and Warrants and the Common Shares continue to be so listed on such designated stock exchange the and (ii) in the case of Warrants, the Corporation deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the applicable Exempt Plan or a person who does not deal at arm's length with such person. In addition, provided the Common Shares are listed on a designated stock exchange when an Exempt Plan acquires Warrant Shares, the Warrant Shares will, at that time, be a qualified investment for an Exempt Plan.

However, the holder of a TFSA that holds Warrants and/or Shares will be subject to a penalty tax if the Warrants and/or the Shares held by such holder, as the case may be, constitute a "prohibited investment" for a particular TFSA. The Warrants and/or the Shares would be a "prohibited investment" for a TFSA if the holder does not deal at arm's length with the Corporation for the purposes of the Tax Act or if the holder has a "significant interest" (within the meaning of the Tax Act) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm's length for the purposes of the Tax Act. Generally, a holder will not have a significant interest in the Corporation unless the holder and/or persons not dealing at arm's length with the holder, owns directly or indirectly, 10% or more of the issued and outstanding Common Shares. Prospective purchasers who intend to hold Warrants and/or Shares in a TFSA are urged to consult their own tax advisors as to whether Warrants and/or Shares purchased by them would constitute a "prohibited investment".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, counsel to the Corporation and Gowling Lafleur Henderson LLP, counsel to the Underwriters (collectively, "**Counsel**"), the following is, as of the date of this prospectus, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of Subscription Receipts who acquires Units thereunder and who, for purposes of the Tax Act and at all relevant times, holds the Shares and the Warrants comprising the Units issuable pursuant to the Units and the Warrant Shares (collectively, with the Units, referred to as the "**Securities**") as capital property and deals at arm's length with the Corporation and the Agents, and is not affiliated with the Corporation or the Agents. This summary is not applicable to: (i) a holder that is a "financial institution", as defined in the Tax Act for purposes the mark-to-market rules; (ii) a holder, an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iii) a holder that is a "specified financial institution" as defined in the Tax Act; (iv) a holder that is exempt from tax under Part I of the Tax Act; (v) a Non-Resident Holder who is a non-resident insurer carrying on an insurance business in Canada and elsewhere; (vi) an "authorized foreign bank" (as defined in the Tax Act); or (vii) a holder which reports its income in a functional currency. Any such holder should consult its own tax advisor with respect to an investment in the Units.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor or holder of Securities. This summary is not exhaustive of all Canadian federal income tax considerations applicable to an investor acquiring Securities pursuant to this Offering. Accordingly, prospective investors are urged to consult their own tax advisors with respect to their particular circumstances.

This summary is based on the provisions of the Tax Act and the Regulations and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") as of the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practices of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary.

For purposes of this summary, any reference to Common Shares shall include Shares and Warrant Shares.

Residents of Canada

The following section of this summary applies to investors hereunder who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times ("**Canadian Holders**"). Certain of such persons to whom Common Shares might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to have such shares, and all other "Canadian securities" as defined in the Tax Act, held by such persons, treated as capital property. This election does not apply to deem the Warrants to be capital property. Canadian Holders should consult their own tax advisors regarding this election.

Acquisition of Common Shares and Warrants

On the exercise of a Subscription Receipt, the Canadian holder will be considered to have acquired the Share and one-half Warrant comprising the Unit. A Canadian Holder's aggregate cost of a Share and one-half Warrant evidenced by a Unit issued upon exercise of the Subscription Receipt will be equal to the Canadian Holder's adjusted cost base of such Subscription Receipt immediately prior to the issuance of the Unit. Canadian Holders will be required to allocate such aggregate cost between the Share and one half Warrant on a reasonable basis to determine their respective costs for purposes of the Tax Act. For its purposes, the Corporation intends to allocate Cdn\$0.2845 of the issue price of the Subscription Receipt as consideration for the issue of each Share and Cdn\$0.0655 of the issue price for the issue of each one-half Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the Canadian Holders.

The Canadian Holder's adjusted cost base of the Share comprising a part of each Unit will be determined by averaging the cost allocated to the Share with the adjusted cost base to the holder of Common Shares held as capital property by the holder immediately prior to the acquisition.

Exercise or Expiry of Warrants

No gain or loss will be realized by a Canadian Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Canadian Holder's cost of the Common Share acquired thereby will be an amount equal to the aggregate of the Canadian Holder's adjusted cost base of such Warrant and the exercise price paid for the Common Share. The Canadian Holder's adjusted cost base of the Common Share so acquired will be determined by averaging such cost with the adjusted cost base to the Canadian Holder of all Common Shares owned by the Canadian Holder.

The expiry of an unexercised Warrant will generally result in a capital loss to a Canadian Holder equal to the adjusted cost base of the Warrant to the Canadian Holder immediately before its expiry.

Dividends

Dividends received or deemed to be received by a Canadian Holder on the Common Shares will be included in computing the Canadian Holder's income for purposes of the Tax Act. The gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations will apply to dividends received by an individual, including the enhanced gross-up and dividend tax credit provisions where the Corporation provides notice designating the dividend as an "eligible dividend". Dividends received on the Common Shares by a corporation must be included in computing its income but will generally be deductible in computing such corporation's taxable income.

A Canadian Holder that is a corporation which is a "private corporation" or a "subject corporation" for purposes of the Tax Act may be liable to pay a refundable tax of $33^{1/3}$% on dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing the corporation's taxable income. Canadian Holders to whom these rules may be relevant should consult their own tax advisors.

Dispositions

A disposition or deemed disposition of a Common Share (other than to the Corporation) or a Warrant (other than the exercise thereof) by a Canadian Holder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Canadian Holder's adjusted cost base thereof and any reasonable costs of disposition. The adjusted cost base to a holder of Common Shares at a particular time will generally be the average cost of all Common Shares held by such holder as capital property at that time. Any such capital gain or capital loss will be subject to the treatment described below under the heading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, one-half of a capital gain (a "**taxable capital gain**") realized by a Canadian Holder must be included in income for the taxation year of disposition and one-half of any capital loss (an "**allowable capital loss**") may normally be deducted by the Canadian Holder against any taxable capital gains realized in the same taxation year. Any excess of allowable capital losses over taxable capital gains for the year of disposition is generally deductible against net taxable capital gains realized in any of the three prior taxation years or in any subsequent taxation year in the circumstances and to the extent described in the Tax Act.

If the Canadian Holder is a corporation, any capital loss arising on the disposition of a Common Share may, in certain circumstances, be reduced by the amount of any dividends which have been received or deemed to be received by such corporation on the Common Share. Analogous rules may apply where a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns Common Shares.

A Canadian Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be subject to an additional refundable tax of $6^{2/3}$% in respect of its "aggregate investment income" (which is defined in the Tax Act to include an amount in respect of taxable capital gains).

Taxable capital gains realized and dividends received by a Canadian Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act.

Canadian Holders should consult their own tax advisors regarding their eligibility for such deductions or credits.

Non-Residents of Canada

The following section of this summary is generally applicable to holders who (i) for the purposes of the Tax Act, have not been and will not be deemed to be resident in Canada at any time while they hold the Common Shares or Warrants; and (ii) do not use or hold the Common Shares or Warrants in carrying on a business in Canada ("**Non-Resident Holders**").

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable income tax treaty or convention. In the case of a Non-Resident Holder who is a resident of the United States and entitled to benefits under the current provisions of the Canada – United States Tax Convention (the "Canada-U.S. Tax Treaty"), the rate of withholding tax on such dividends will generally be reduced to 15% of the gross amount of the dividend.

Dispositions

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain on the disposition of Common Shares or Warrants provided that such securities do not constitute, and are not deemed to constitute, "taxable Canadian property" of the Non-Resident Holder. Generally, Common Shares and Warrants will not constitute taxable Canadian property of a Non-Resident Holder provided that (i) the Common Shares are listed on a designated stock exchange (which includes the TSX and the TSXV) for the purposes of the Tax Act at the time of disposition; and (ii) at no time during the 60 month period immediately preceding the disposition of the Common Shares or Warrants were 25% or more of the issued shares of any class or series of the capital stock of the Corporation owned by the Non-Resident Holder, by persons with whom the Non-Resident Holder did not deal at arm's length, or by the Non-Resident Holder together with such persons.

A Non-Resident Holder's capital gain (or capital loss) in respect of Common Shares or Warrants that constitute or are deemed to constitute taxable Canadian property (and are not "treaty- protected property" as defined for purposes of the Tax Act) will generally be computed in the manner described above under the headings "Residents of Canada — Dispositions" and "Capital Gains and Capital Losses".

Non-Resident Holders whose Common Shares or Warrants are considered or are deemed to be considered taxable Canadian property should consult their own tax advisors.

PROMOTERS

Mark Maier is a promoter of Sandspring. As disclosed herein, Mr. Maier, is the beneficial holder of 1,300,000 Sandspring Shares and 133,334 Options and upon completion of the Acquisition will be the beneficial holder of 1,096,254 Sandspring Shares, representing 1.6% of the issued and outstanding Sandspring Shares and 742,701 Options.

Richard A Munson is a promoter of GoldHeart. As disclosed herein, upon completion of the Qualifying Transaction will be the beneficial holder of nil Sandspring Shares and 250,000 Options upon completion of the Acquisition.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as disclosed herein, there are no legal proceedings involving Sandspring or GoldHeart or GoldHeart's mineral properties within the three years immediately preceding the date of this prospectus and neither Sandspring nor GoldHeart are aware of any such contemplated proceedings.

The ten PPMS held pursuant to the Daniels Joint Venture Agreement are subject to a title dispute. The PPMSs subject to the title dispute represent 10 out of the 167 PPMSs in which ETK has an interest and the Target does not characterize the dispute as material to the business of the Target.

There are no: (i) penalties or sanctions imposed against Sandspring or GoldHeart by a court relating to provincial, territorial, state or federal securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this prospectus; (ii) other penalties or sanctions imposed by a court or regulatory body against Sandspring or GoldHeart that are necessary to be disclosed and for the prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and (iii) settlement agreements entered into by Sandspring or GoldHeart before a court relating to provincial or territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this prospectus.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no current or proposed director, executive officer of the Corporation or GoldHeart or Person that is the direct or indirect beneficial owner of, or who exercises control or direction over more than 10 percent (10%) of the Common Shares, or associate or affiliate of any of them, has any material interest, direct or indirect, in any transaction of the Corporation within the three years before the date of this prospectus that has materially affected or is reasonably expected to materially affect the Corporation or any of its proposed subsidiaries.

AUDITORS

The auditors of Sandspring are Deloitte & Touche LLP, Chartered Accountants, of Suite 3000, 700, 2nd Street S.W. Calgary, Alberta, T2P 0S7.

The auditors of GoldHeart are Nizam Ali & Company, Chartered Accountants, 215 'C' Camp Street, North Cummingsburg, Georgetown, Guyana.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of Sandspring is Computershare Trust Company of Canada at its principal office in Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into either by Sandspring or GoldHeart within two years prior to the date hereof, which will remain in effect upon completion of the Acquisition and will be considered material:

1. Underwriting Agreement;
2. Subscription Receipt Agreement;
3. GoldHeart Net Profits Agreement;
4. Acquisition Agreement;
5. Upper Puruni Joint Venture Agreement; and
6. CPC Escrow Agreement.

A copy of each of the foregoing agreements may be inspected during the period of distribution of the Subscription Receipts being offered under this prospectus and for a period of 30 days thereafter during normal business hours at Sandspring's registered offices at 1000 Canterra Tower, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

EXPERTS

Certain legal matters related to the Private Placement have been passed upon on behalf of Sandspring by Borden Ladner Gervais LLP and on behalf of the Underwriters, by Gowling Lafleur Henderson LLP. At the date hereof the partners and associates of the foregoing entities, as a group, own beneficially, directly or indirectly, less than 1% respectively , of the securities of the Corporation.

The following professional persons have prepared reports or have provided opinions that are either included or referenced within this prospectus:

1. Dr. Wayne Ewert, P.Geo., Mr. Eugene Puritch, P.Eng., Ms. Tracy Armstrong, P.Geo. and Mr. Antoinne Yassa, P.Geo., of P&E Mining Consultants Inc. collectively prepared the Technical Report; and
2. Nizam Ali & Company, Chartered Accountants, Georgetown, Guyana has provided an auditor's report on the consolidated financial statements of GoldHeart for the financial years ended December 31, 2008, 2007 and 2006, a copy of which is attached hereto.

Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition of Subscription Receipts and/or the Shares and Warrants issuable pursuant to the Subscription Receipts.

INTERESTS OF EXPERTS

Except as disclosed herein, as of the Effective Date, no professional person who has provided an opinion or report referenced in this prospectus, currently holds more than 1% of the issued and outstanding Sandspring Shares or 1% of the issued and outstanding Target Shares and, upon completion of the Acquisition and the Private Placement, will not hold more than 1% of the issued and outstanding common shares of the Corporation, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of its Associates or Affiliates.

Deloitte & Touche LLP, Chartered Accountants are independent in accordance with the rules of professional conduct of the Institute of Chartered Accountants of Alberta.

Nizam Ali & Company, Chartered Accountants are the independent auditors of GoldHeart.

P&E Mining Consultants Inc. and particularly, Dr. Wayne Ewert, P.Geo., Mr. Eugene Puritch, P.Eng., Ms. Tracy Armstrong, P.Geo. and Mr. Antoinne Yassa, P.Geo., collectively prepared the Technical Report. None of Dr. Ewert, Mr. Puritch, Ms. Armstrong or Mr. Yassa have any direct or indirect interest in the Corporation, nor will any such interest come into being upon completion of the Qualifying Transaction, and each is an "independent person" within the meaning of NI 43-101.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Corporation has granted to each holder of Subscription Receipts a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipts were initially acquired. The contractual right of rescission provides that if a holder of Subscription Receipts who acquires Shares and Warrants on exercise of the Subscription Receipts as provided for in this prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the prospectus or an amendment to the prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Subscription Receipt and the private placement transaction under which the Subscription Receipt was initially acquired, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Corporation or the Underwriters, as the case may be, on the acquisition of the Subscription Receipts, and (c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and a refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Subscription Receipts may have at law.

AUDITORS' CONSENT

We have read the prospectus of Sandspring Resources Ltd. (the "**Corporation**") dated ●, 2009, to qualify the distribution of securities issuable on exercise of Subscription Receipts of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the shareholders of the Corporation on the balance sheets of the Corporation as at December 31, 2008 and 2007 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. Our report is dated April 29, 2009.

Calgary, Canada ●
●, 2009

AUDITORS' CONSENT

We have read the prospectus of Sandspring Resources Ltd. (the "**Corporation**") dated ●, 2009, to qualifying the distribution of the securities issuable on exercise of Subscription Receipts of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above mentioned prospectus of our report to the shareholders of GoldHeart Investments Holdings Ltd ("**GoldHeart**") on the consolidated balance sheets of GoldHeart as at December 31, 2008, 2007 and 2006 and the consolidated statements of operations and deficit, comprehensive (loss) income, accumulated other comprehensive (loss) income and cash flow for the years then ended. Our report is dated August 27, 2009

Georgetown, Guyana ●
●, 2009

SANDSPRING RESOURCES LTD.

Interim Financial Statements

For the period ended June 30, 2009

Sandspring Resources Ltd.

Balance Sheets *(unaudited)*

As at		June 30, 2009		December 31, 2008
ASSETS				
Current				
Cash and cash equivalents	**$**	**78,537**	$	128,706
Deferred acquisition costs (Note 1)		**154,200**		-
	$	**232,737**	$	128,706
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**135,796**	$	184,653
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		**737,169**		487,169
Deficit		**(640,228)**		(543,116)
		96,941		(55,947)
	$	**232,737**	$	128,706

NATURE OF OPERATIONS AND GOING CONCERN (NOTE 1)

SUBSEQUENT EVENTS (NOTE 5)

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

Sandspring Resources Ltd.

Statements of Operations, Comprehensive Loss and Deficit *(unaudited)*

	Three Months ended June 30, 2009	Three Months ended June 30, 2008	**Six Months ended June 30, 2009**	Six Months ended June 30, 2008
Administrative expenses				
Professional fees	**$ 5,696**	$ 6,086	**$ 8,946**	$ 9,115
Acquisition fees	**-**	-	**40,655**	-
Shareholder information	**3,203**	3,133	**19,423**	8,548
Travel expenses	**-**	774	**28,088**	3,430
Interest earned	**-**	(1,129)	**-**	(1,129)
Loss and comprehensive loss for the period	**$ 8,899**	$ 8,864	**$ 97,112**	$ 19,964
Deficit, beginning of period	**631,329**	70,867	**543,116**	59,767
Deficit, end of period	**$ 640,228**	$ 79,731	**$ 640,228**	$ 79,731
Loss per share – basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Weighted average number of shares outstanding – basic and diluted	**5,619,780**	4,000,000	**5,411,050**	4,000,000

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

Sandspring Resources Ltd.

Statements of Cash Flows *(unaudited)*

	Three Months ended June 30, 2009	Three Months ended June 30, 2008	**Six Months ended June 30, 2009**	Six Months ended June 30, 2008
OPERATING ACTIVITIES				
Loss for the period	**$ (8,899)**	$ (8,864)	**$ (97,112)**	$ (19,964)
Net change in non-cash working capital:				
Accounts receivable	**-**	-	**-**	43,056
Accounts payable and accrued liabilities	**(191,494)**	(35,784)	**(180,357)**	(41,446)
	(200,393)	(44,648)	**(277,469)**	(18,354)
INVESTING ACTIVITIES				
Deferred expenditures	**-**	(3,675)	**(22,700)**	(14,333)
FINANCING ACTIVITIES				
Issuance of common shares	**180,000**	-	**250,000**	-
	180,000	-	**250,000**	-
Net increase (decrease) in cash and cash equivalents	**(20,393)**	(48,323)	**(50,169)**	(32,687)
Cash and cash equivalents, beg. of period	**98,930**	87,005	**128,706**	71,369
Cash and cash equivalents, end of period	**$ 78,537**	$ 38,682	**$ 78,537**	38,682
Cash and cash equivalents are comprised of:				
Cash	**$ 78,537**	$ 1,751	**$ 78,537**	$ 1,751
Short-term investments	**$ -**	$ 36,931	**$ -**	$ 36,931
	$ 78,537	$ 38,682	**$ 78,537**	$ 38,682
Interest paid during the period	**$ -**	$ -	**$ -**	$ -
Income taxes paid during the period	**$ -**	$ -	**$ -**	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sandspring Resources Ltd. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on September 20, 2006 and is classified as a Capital Pool Company as defined in Policy 2.4 ("Policy 2.4") of the TSX Venture Exchange (the "Exchange"). The Company proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval, for the purpose of completing a "Qualifying Transaction" (as such term is defined in Policy 2.4).

The business plan of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Further, there is no assurance that businesses acquired will be profitable.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at June 30, 2009, the Company's operations are still in development stage. The Company's continued success is dependent on identifying future prospects, raising capital required and achieving profitable operations. In this regard, the Company is reliant on securing capital through private placements until completion of the Qualifying Transaction, at which time a public offering may be made. The Company, as a CPC, has 24 months from the date its shares were listed on the Exchange, August 24, 2007, to complete its Qualifying Transaction; however, the Company was granted an extension by the Toronto Stock Exchange such that it has until February 24, 2010 to complete its Qualifying Transaction. There is no certainty that the Company will be able to finalize the Qualifying Transaction by the new deadline nor is there any certainty a further extension would be available.

On May 11, 2009, the Company, GoldHeart Invesment Holdings Ltd. ("GoldHeart"), the shareholders of GoldHeart (the "GoldHeart Shareholders") and certain creditors of GoldHeart (the "Lenders") entered into a formal acquisition agreement (the "Acquisition Agreement") relating to the acquisition by the Company (the "Acquisition") of 100% of the issued and outstanding shares ("GoldHeart Shares") of GoldHeart. The Company intends for the Acquisition to constitute the Qualifying Transaction of the Company, satisfying the requirement of a CPC company listed on the Exchange. Certain costs incurred subsequent to the signing of the Acquisition Agreement have been deferred and will be expensed upon the closing of the Qualifying Transaction.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

The interim financial statements are stated in Canadian dollars and have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). The interim financial statements of the Company have been prepared following the same accounting policies and methods of computation as the financial statements of the Company for the year ended December 31, 2008. The disclosures provided below, are incremental to those included with the annual financial statements and certain disclosures, which are normally required to be included in the notes to the financial statements, have been condensed or omitted. These interim financial statements should be read in conjunction with the financial statements and notes thereto in the Company's annual filings for the year ended December 31, 2008.

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from those estimates.

2. CHANGE IN ACCOUNTING POLICY

In January 2009, the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. This standard is effective for the Company's fiscal year beginning January 1, 2009. Adoption of this EIC did not have a significant effect on the Company's financial statements.

3. NEW ACCOUNTING POLICIES

The new Section 1582 - Business Combinations, which replaces Section 1581 - Business Combinations, establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. The new standard applies to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. The Company is currently assessing the impact of the adoption of this new standard on its financial statements.

The new Sections 1601 - Consolidated Financial Statements and Section 1602 - Non-Controlling Interests, together replace Section 1600 - Consolidated Financial Statements.

Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes the accounting for a non-controlling interest in a subsidiary, in the consolidated financial statements, subsequent to a business combination. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. The Company is currently assessing the impact of the adoption of these new standards on its financial statements.

4. SHARE CAPITAL

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series; no preferred shares were issued or outstanding as at June 30, 2009.

	Number	Amount
Share issuance (a)	2,000,000	$ 100,000
Balance December 31, 2006	2,000,000	100,000
Share issuance (b)	2,000,000	200,000
Costs of share issuance		(112,831)
Balance December 31, 2007	4,000,000	187,169
Issued for cash (c)	1,200,000	300,000
Balance December 31, 2008	5,200,000	487,169
Issued during the period (d)	500,000	250,000
Balance June 30, 2009	5,700,000	737,169

(a) The 2,000,000 common shares issued at $0.05 upon incorporation were deposited in escrow pursuant to the terms of an Escrow Agreement and will be released from escrow in stages over a period of up to three years, such release to commence immediately upon the issuance by the Exchange of its final bulletin in respect of the Qualifying Transaction.

(b) On May 15, 2007, the Company issued 2,000,000 common shares by initial public offering at $0.10 per common share for gross proceeds of $200,000 and net proceeds of $87,169 after deducting share issuance costs of $112,831. As per the terms of the agency agreement between the Company and a registered broker-dealer (the "Agent"), upon the closing of the transaction, the Agent was granted a non-transferable option (the "Agent's Option") to purchase up to 200,000 common shares at a price of $0.10 per common share. The Agent's Option is exercisable at any time from issuance to 24 months from the date of listing of the common shares on the Exchange.

(c) On July 11, 2008, the Company closed a non-brokered private placement of 1,200,000 common shares at an offering price of $0.25 per common share for gross aggregate proceeds of $300,000. The proceeds received by the Company from this financing will be used to finance the Company's Qualifying Transaction as discussed in Note 1.

4. SHARE CAPITAL (continued)

(d) On April 2, 2009, April 9, 2009 and May 12, 2009, the Company closed a non-brokered private placement of aggregate 500,000 common shares at an offering price of $0.50 per common share for gross aggregate proceeds of $250,000. The proceeds received by the Company from this financing will be used to finance the Company's Qualifying Transaction. These common shares are restricted from resale up to four months plus one day from the date of their respective grant.

Of the 500,000 common shares issued, 20,000 were issued to a member of the immediate family of a certain director for $10,000.

Stock Options

In September 2006, the Board of Directors established an incentive stock option plan to provide additional incentive to its directors, officers, employees and consultants. The maximum number of common shares reserved for issuance under the incentive stock option plan is 10% of the issued and outstanding common shares. The options vest one year after the completion of the Qualifying Transaction (see Note 1) and are exercisable for a period of up to 5 years from the date of the grant.

On May 15, 2007, 400,000 stock options were granted under the Company's stock option plan at $0.10 per common share, expiring on May 15, 2012.

The Company had the following options outstanding as at June 30, 2009:

	Incentive Stock Option Plan		Agent's Stock Options	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding - beginning of period	$ 0.10	400,000	$ 0.10	200,000
Transactions during the period:				
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding – end of period	$ 0.10	400,000	$ 0.10	200,000
Options exercisable – end of period	$ -	-	$ -	-

5. SUBSEQUENT EVENTS

(a) On August 10, 2009, the Company announced that, in accordance with the extended temporary relief measures announced by the Exchange on March 6, 2009, the Company has applied for and received a six-month extension for the completion of its Qualifying Transaction (see Note 1). The new deadline date for the completion of the Company's Qualifying Transaction is February 24, 2010.

5. SUBSEQUENT EVENTS (continued)

(b) On August 14, 2009, the Company announced that it successfully completed the first tranche of a bought-deal equity financing (the "Offering") of subscription receipts ("Subscription Receipts") with a syndicate of underwriters (the "Underwriters"). The Underwriters exercised a portion of the over-allotment option granted in connection with the Offering and purchased an additional 2,047,200 Subscription Receipts at the August 14, 2009 closing (the "First Closing") resulting in the issuance of a total of 16,333,000 Subscription Receipts at a price of \$0.35 per Subscription Receipt for aggregate gross proceeds of approximately \$5.7 million. The Underwriters also exercised their option to purchase additional Subscription Receipts at one or more future closings.

The subscription proceeds from the Offering will be held in escrow pending the anticipated closing of the Company's Qualifying Transaction (see Note 1).

Concurrent with the closing of the Company's Qualifying Transaction and satisfaction or waiver of all escrow conditions, each Subscription Receipt shall be exchanged automatically, for no additional consideration, into one unit of the Company (a "Unit"). Each Unit shall consist of one common share and one half of one common share purchase warrant (each whole Common Share purchase warrant being a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share at a price of \$0.50 per common share for a period of 36 months following the closing of the Qualifying Transaction.

(c) On August 19, 2009, the Company and the parties to the acquisition agreement in respect of the Company's Qualifying Transaction, entered into an agreement to extend the expiry date of such acquisition agreement to September 30, 2009 and to amend certain other terms.

(d) On August 21, 2009, a further 200,000 common shares were issued by the Company at a price of \$0.10 per common share pursuant to the Agent's Option.

(e) On August 28, 2009, the Company announced that it had entered into an amending agreement (the "Amendment") to its acquisition agreement with GoldHeart with respect to the Qualifying Transaction (Note 1). The amending agreement extends the expiry date of the acquisition to September 30, 2009 and amends certain other terms. Pursuant to the Amendment, the total convertible debt (the "Convertible Debt") of \$2,635,538 which includes principal plus accrued interest up to September 30, 2009 is owed to certain lenders of GoldHeart and is to be assumed and paid by the Company pursuant to the terms of the acquisition agreement. The Convertible Debt will be paid through the issuance of 5,271,076 common shares (the "Convertible Debt Shares") at a common share price of \$0.50 and a further 1,571,429 units (the "Convertible Debt Units") at a unit price of \$0.35. Each unit consists of one common share and one-half warrant. Warrants have an exercise price of \$0.50 and expiry of five years. If the Qualifying Transaction is not completed on or before September 30, 2009, additional Convertible Debt Shares and Convertible Debt Units will be issued to the lenders for payment of additional accrued interest owing.

5. SUBSEQUENT EVENTS (continued)

In addition, in conjunction with the closing of the Qualifying Transaction, the Company will also assume and pay up to a maximum of USD$1,200,000 in respect of a revolving credit line (the "Revolving Debt") owed by GoldHeart to Crescent Global Resources Ltd. ("CGR") against receipt of a full release and forgiveness by CGR of any and all amounts owing under the Revolving Debt that exceeds USD$1,200,000. The amount to be paid in cash by the Company upon closing of the Qualifying Transaction has been reduced from USD$850,000 to USD$250,000 and an additional USD$500,000 shall be paid to CGR by the issuance of 1,571,429 units. Each unit consists of one common share and one-half warrant. Warrants have an exercise price of $0.50 and expiry of five years. The Company will repay the amount that exceeds USD$750,000 to a maximum of USD$1,200,000 by making interim payments, in such amounts to be agreed upon by the parties, between the closing date of the Qualifying Transaction and December 31, 2010. Also pursuant to the Amendment, the aggregate proceeds of the private placement of subscription receipts required as a condition to closing of the Qualifying Transaction was reduced from $12,500,000 to a minimum of $5,000,030 and up to $6,000,050. With the First Closing of the Offering (Note 5 (b)), this condition has been met.

SANDSPRING RESOURCES LTD.

Audited Financial Statements

For the years ended December 31, 2008 and 2007

Deloitte & Touche LLP
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700 Second Street S.W.
Calgary AB T2P 0S7
Canada

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Auditors' Report

To the Shareholders of Sandspring Resources Ltd.

We have audited the balance sheets of Sandspring Resources Ltd. as of December 31, 2008 and 2007, and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
April 29, 2009 (except for Note 9 which is dated ●) Chartered Accountants

Sandspring Resources Ltd.

Balance Sheets

As at December 31		2008		2007
ASSETS				
Current				
Cash and cash equivalents	$	**128,706**	$	71,369
Accounts receivable		**-**		43,056
		128,706		114,425
Deferred expenditures (Note 4)		**-**		106,733
	$	**128,706**	$	221,158
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	**184,653**	$	93,756
SHAREHOLDERS' EQUITY (Deficiency)				
Share capital (note 5)		**487,169**		187,169
Deficit		**(543,116)**		(59,767)
		(55,947)		127,402
	$	**128,706**	$	221,158

NATURE OF OPERATIONS AND GOING CONCERN (NOTE 1)

SUBSEQUENT EVENT (NOTE 9)

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

On behalf of the Board:

"Signed"	*"Signed"*
Mark Maier, Director	Joel Schneyer, Director

Sandspring Resources Ltd.

Statements of Operations, Comprehensive Loss and Deficit

		For the year ended December 31, 2008		For the year ended December 31, 2007
Administrative expenses				
Professional fees	$	30,861	$	30,167
Acquisition fees (Note 4)		438,494		-
Financing costs (Note 6)		-		20,078
Travel expenses		3,723		5,124
Shareholder information		12,744		8,647
Interest earned		(2,473)		(4,249)
Loss and comprehensive loss for the year	$	483,349	$	59,767
Deficit, beginning of year		59,767		-
Deficit, end of year	$	543,116	$	59,767
Loss per share – basic and diluted	$	(0.12)	$	(0.02)
Weighted average number of shares outstanding – basic and diluted		4,567,213		3,254,795

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

Sandspring Resources Ltd.

Statements of Cash Flows

		For the year ended December 31, 2008		For the year ended December 31, 2007
OPERATING ACTIVITIES				
Loss for the year	$	**(483,349)**	$	(59,767)
Write off of deferred expenditures (Note 4)		**106,733**		-
Net change in non-cash working capital:				
Accounts receivable		**43,056**		(43,056)
Accounts payable and accruals		**90,897**		93,756
		(242,663)		(9,067)
INVESTING ACTIVITIES				
Deferred expenditures		**-**		(106,733)
FINANCING ACTIVITIES				
Issuance of common shares		**300,000**		200,000
Costs of share issuance		**-**		(112,831)
		300,000		87,169
Net increase (decrease) in cash and cash equivalents		**57,337**		(28,631)
Cash and cash equivalents, beginning of year		**71,369**		100,000
Cash and cash equivalents, end of year		**128,706**		71,369
Cash and cash equivalents are comprised of:				
Cash		**3,167**		1,372
Term deposits		**125,539**		69,997
		128,706		71,369
Interest paid during the year		**-**		-
Income taxes paid during the year	$	-	$	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sandspring Resources Ltd. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on September 20, 2006 and is classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange. The Company proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval.

The business plan of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Further, there is no assurance that businesses acquired will be profitable.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at December 31, 2008, the Company's operations are still in development stage. The Company's continued success is dependent on identifying future prospects, raising capital required and achieving profitable operations. In this regard, the Company is reliant on securing capital through private placements until completion of the Qualifying Transaction, at which time a public offering may be made. The Company, as a CPC, has 24 months from the date its shares were listed on the Toronto Stock Exchange Venture (Aug. 24, 2007), to complete its Qualifying Transaction, but may also be eligible for an extension. There is no certainty that the Company will be able to finalize the Qualifying Transaction by the deadline nor is there any certainty that an extension will be granted.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cashable guaranteed investment certificates with maturities of 90 days or less from the date of purchase.

(b) Deferred Financing Costs

Costs incurred relating to the proposed issuance of shares are deferred. Costs will be charged to share capital upon the issuance of shares. In the event that the share issuance does not occur, costs will be charged to income in that period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the balance sheet. Actual amounts could differ from these estimates.

(d) Deferred Expenditures

In 2007, the Company deferred costs incurred for the investigation of projects and acquisitions under review. If a project was successful, the related deferred costs would be accounted for as a cost of the acquisition of the project. If a project was unsuccessful, the related deferred expenditures would have been written off.

Effective October 1, 2008, the Company early adopted Section 3064 - Goodwill and Intangible Assets, which establishes a revised standard for recognition, measurement, presentation and disclosure of goodwill and intangible assets. It ensures that intangible assets meet the definition of an asset, and eliminates the "matching" principle, whereby certain costs were being deferred and expensed to match with revenue earned. Concurrent with the introduction of this standard, the CICA withdrew EIC 27, Revenues and Expenses during the pre-operating period. As a result of the withdrawal of EIC 27, the Company will no longer defer costs and revenues incurred prior to commercial production at new operations. As such, costs incurred with respect to proposed acquisitions are written off as incurred.

(e) Stock-Based Compensation

The Company has an incentive stock option plan which is described in Note 5. The Company accounts for its stock-based compensation plan using the fair value method. The fair value of stock options is determined on their grant date and recorded as compensation expense over the period that the stock options vest, with a corresponding increase in contributed surplus. When stock options are exercised, the proceeds, together with the amount recorded in contributed surplus, are recorded in capital stock.

(f) Financial Instruments

All financial instruments have been classified into one of the following five categories: held for-trading assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in accumulated other comprehensive income until the instruments are derecognized or impaired. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at cost.

The Company made the following classifications:

Cash	Held for trading
Term deposit	Held for trading
Accounts payable	Other financial liabilities

The carrying values of these financial instruments approximates their fair values due to the current nature of these amounts.

(g) Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, income tax liabilities and assets are recognized for the estimated tax effects of the differences between the amounts reported in the financial statements and the respective tax basis, using substantively enacted income tax rates. The effect of a change in income tax rates on future income tax liabilities and assets is recognized in income in the period that the change occurs.

Estimated future tax benefits related to losses and unclaimed costs for tax purposes are recognized as assets and in income once it appears more likely than not they will ultimately be realized.

(h) Net income (loss) per common share

Net income (loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. For the purposes of the weighted average number of common shares calculation, common shares are determined to be outstanding from the date they are issued. Diluted income (loss) per common share is calculated using the treasury stock method, which assumes that all outstanding stock option grants are exercised, if dilutive, and the assumed proceeds are used to purchase the Company's common shares at the average market price during the year.

3. NEW ACCOUNTING POLICIES

On January 1, 2008, the Company adopted CICA Handbook section 3862 "Financial Instruments – Disclosures" and 3863 "Financial Instruments – Presentation, which enhance existing disclosures for financial instruments. In particular, section 3862 focuses on the identification of risk exposures and the Company's approach to management of these risks. There was no financial impact to previously reported financial statements as a result of the implementation of this new standard other than the disclosures included in Note 8.

On January 1, 2008, the Company adopted CICA Handbook section 1535 "Capital Disclosures". This section establishes disclosure requirements for management's policies and processes in defining and managing its capital. There was no financial impact to previously reported financial statements as a result of the implementation of this new standard. See Note 7 for disclosure of this new section.

On January 1, 2008, the Company adopted CICA Handbook section 3031 "Inventories". Under the new standard, any impairment to net realizable value of inventory must be written down at each reporting period, with subsequent reversals when applicable. There was no financial impact to previously reported financial statements as a result of the implementation of this new standard.

The new Section 1582 - Business Combinations, which replaces Section 1581 - Business Combinations, establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. The new standard applies to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier application is permitted. The Company is currently assessing the impact of the adoption of this new standard on its financial statements.

The new Sections 1601 - Consolidated Financial Statements and Section 1602 - Non-Controlling Interests, together replace Section 1600 - Consolidated Financial Statements.

Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes the accounting for a non-controlling interest in a subsidiary, in the consolidated financial statements, subsequent to a business combination. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted as of the beginning of a fiscal year. The Company is currently assessing the impact of the adoption of these new standards on its financial statements.

The Canadian Accounting Standards Board (AcSB) has confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company is currently evaluating the impact of adopting IFRS.

4. DEFERRED EXPENDITURES

On August 7, 2007, the Company entered into a letter of intent. Pursuant to the terms of the letter of intent, subject to completion of satisfactory due diligence and other regulatory requirements, the Company intended to acquire a material interest in a company engaged in the business of exploring and developing a Guyana, South America mineral prospect. In January 2008, the letter of intent expired, however, the Company renegotiated a letter of intent effective June 12, 2008. As per the letter of intent, the

Company intends to acquire an interest in GoldHeart Investment Holdings Ltd., which owns 100% of the outstanding stock of ETK, Inc. the owner and operator of certain mineral exploration interests located in Guyana, South America (the "Acquisition").

The Company is a CPC and intends for the Acquisition to constitute the "Qualifying Transaction" of the Company as such term is defined in Policy 2.4.

In connection with the Acquisition, the Company has incurred costs which had been accounted for as deferred expenditures on the balance sheet. At December 31, 2008, the deferred expenditures have been written off in the statement of operations.

Subsequent to year end, the Company is in the process of finalizing a signed agreement for this acquisition; however, there can be no assurance that the acquisition will be completed.

5. CAPITAL STOCK

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares, issuable in series; no preferred shares were issued or outstanding as at December 31, 2008.

	Number	Amount
Balance December 31, 2006	2,000,000	100,000
Share issuance (b)	2,000,000	200,000
Costs of share issuance	-	(112,831)
Balance December 31, 2007	4,000,000	187,169
Issued for cash (c)	1,200,000	300,000
Balance December 31, 2008	5,200,000	$ 487,169

(a) The 2,000,000 common shares issued at $0.05 upon incorporation were deposited in escrow pursuant to the terms of an Escrow Agreement and will be released from escrow in stages over a period of up to three years, such release to commence immediately upon the issuance by the TSX Venture Exchange of its final bulletin in respect of the Qualifying Transaction.

(b) On May 15, 2007, the Company issued 2,000,000 common shares by public offering at $0.10 per common share for gross proceeds of $200,000 and net proceeds of $87,169 after deducting share issuance costs of $112,831. As per the terms of the agency agreement, upon the closing of the transaction, the agent was granted a non-transferable option to purchase up to 200,000 common shares at a price of $0.10 per common share.

The option will be exercisable at any time from issuance to 24 months from the date of listing of the Company's shares on the TSX Venture Exchange ("TSXV").

(c) On July 11, 2008, the Company closed a non-brokered private placement of 1,200,000 common shares at an offering price of $0.25 per common share for gross aggregate proceeds of $300,000. The proceeds received by the Company from this financing will be used to finance the Acquisition, which is intended to be the Company's "Qualifying Transaction" as discussed in Note 4.

Stock Options

In September 2006, the Board of Directors established an incentive stock option plan to provide additional incentive to its directors, officers, employees and consultants. The maximum number of shares reserved for issuance under the incentive stock option plan is 10% of the issued and outstanding common shares. The options vest one year after the completion of the Qualifying Transaction (see Note 4) and are exercisable for a period of up to 5 years from the date of the grant.

On May 15, 2007, 400,000 stock options were granted under the stock option plan at $0.10 per common share, expiring on May 15, 2012.

The Company also granted to an agent 200,000 common shares at a price of $0.10 per common share and which may be exercised for a period of 24 months from the day the common shares of the Company were listed on the TSXV. Not more than 50% of the common shares received on the exercise of the agent's option may be sold by an agent prior to the completion of the Qualifying Transaction. The remaining 50% may be sold after the completion of the Qualifying Transaction.

The Company had the following options outstanding as at December 31, 2008:

	Incentive Stock Option Plan		Agent's Stock Options	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding - January 1, 2007	$ -	-	$ -	-
Granted	0.10	400,000	0.10	200,000
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding – Dec. 31, 2007 and 2008	$ 0.10	400,000	$ 0.10	200,000
Options exercisable – Dec. 31, 2008	$ -	-	$ -	-

6. PROPOSED FINANCING

On September 4, 2007, the Company entered into an agreement with an agent for a private placement whereby the agent would raise a minimum of $3.3 million to a maximum amount of $4.4 million gross proceeds for the Company. The Company paid the agent an amount of $30,600 for the provision of these services which were accounted for by the Company as deferred share issuance costs on the balance sheet. On March 6, 2008, the agent terminated this agreement as the offering did not occur on or before December 19, 2007 in accordance with the agreement. As a result, the Company received a refund from the agent of $21,400 and wrote off the remaining deferred costs on the balance sheet to the statement of operations and comprehensive loss and deficit in 2007.

7. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of debt and equity financing. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the Company. The Company raises capital, as necessary.

	2008	2007
Shareholders' equity (Deficiency)	$(55,947)	$127,402

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2008 compared to the year ended December 31, 2007.

8. FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is solely attributable to cash and cash equivalents. Cash consists of funds that have been invested with reputable financial institutions and management believes the risk of loss to be remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient funds to meet liabilities as they come due. As at December 31, 2008, the Company had cash and cash equivalents balance of $128,706 (2007 - $71,369) to settle current liabilities of $184,653 (2007 - $93,756). The deficiency will be offset with the proceeds of the private placement described in Note 9.

Interest rate risk

The Company has cash balances and cash equivalents. The Company's current policy is to invest excess cash in highly rated short-term deposits issued by a large Canadian banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company's reporting and functional currency is the Canadian dollar. Some purchases are US dollar denominated however management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

9. SUBSEQUENT EVENT

On April 2 and April 9, 2009, the Company closed a non-brokered private placement of 400,000 common shares at an offering price of $0.50 per common share for gross aggregate proceeds of $200,000. The proceeds received by the Company from this financing will be used to finance the Acquisition, which is intended to be the Company's "Qualifying Transaction" as discussed in Note 4. These common shares are restricted from resale until the day that is four months plus one day from the date of their issue.

Consolidated Financial Statements of

GOLDHEART INVESTMENT HOLDINGS LTD.

As at and for the three and six months ended June 30, 2009 (unaudited) and June 30, 2008 (unaudited)

As at and for the years ended December 31, 2008, 2007, and 2006

Nizam Ali & Company
Chartered Accountants

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Guyana

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Auditors' Report

To the Shareholders of

GoldHeart Investment Holdings Ltd.:

We have audited the consolidated balance sheets of **GoldHeart Investment Holdings Ltd.** as at December 31, 2008, 2007, and 2006 and the consolidated statements of operations and deficit, comprehensive (loss) income, accumulated other comprehensive (loss) income and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2008, 2007, and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Guyana, South America

August 27, 2009

Nizam Ali & Company
Chartered Accountants

Partners:
Nizam Ali - FCCA, CTA
Leslie Veerasammy - FCCA

GOLDHEART INVESTMENT HOLDINGS LTD.
CONSOLIDATED BALANCE SHEETS
(Expressed in Canadian Dollars)

		(Unaudited)		(Note 2)	(Note 2)
AS AT		**6/30/2009**	**12/31/2008**	**12/31/2007**	**12/31/2006**
ASSETS	**Notes**	**$**	**$**	**$**	**$**
Current					
Cash		**325,169**	**523,657**	**92,520**	**22,908**
Accounts receivable		**73,185**	**72,927**	**70,291**	**53,367**
Other		**12,168**	**-**	**68,564**	**53,703**
		410,522	**596,584**	**231,375**	**129,978**
Resource assets	4	**19,543,450**	**20,345,639**	**14,098,444**	**9,311,791**
Equipment	5	**186,759**	**364,709**	**419,791**	**747,740**
		20,140,731	**21,306,932**	**14,749,610**	**10,189,509**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**733,460**	**907,373**	**352,543**	**14,453**
Convertible notes payable	6	**2,350,768**	**2,009,080**	**-**	**-**
Current portion of notes payable - revolving debt	6	**53,692**	**-**	**-**	**-**
		3,137,920	**2,916,453**	**352,543**	**14,453**
Long-term liabilities					
Notes payable - revolving debt	6	**1,376,204**	**1,262,640**	**15,911,165**	**11,310,947**
		1,376,204	**1,262,640**	**15,911,165**	**11,310,947**
Total liabilities		**4,514,124**	**4,179,093**	**16,263,708**	**11,325,400**
SHAREHOLDERS' EQUITY					
Capital stock	7	**4,892,045**	**4,892,045**	**874**	**874**
Contributed surplus	7	**13,147,962**	**13,147,962**	**-**	**-**
Equity portion of convertible notes payable	6	**1,062,241**	**1,062,241**	**-**	**-**
Accumulated other comprehensive income (loss)		**(1,242,140)**	**(335,686)**	**(312,575)**	**3,503**
Deficit		**(2,233,499)**	**(1,638,724)**	**(1,202,397)**	**(1,140,268)**
		15,626,607	**17,127,839**	**(1,514,098)**	**(1,135,891)**
		20,140,731	**21,306,932**	**14,749,610**	**10,189,509**

Going concern - Note 1
Commitments - Note 8
Subsequent event - Note 16

"Richard A. Munson"
Director

"P. Greg Barnes"
Director

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

GOLDHEART INVESTMENT HOLDINGS LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Expressed in Canadian Dollars)

	Notes	For the 3 month period ended		For the 6 month period ended		For the years ended		
		(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	12/31/2008	(Note 2) 12/31/2007	(Note 2) 12/31/2006
		$	$	$	$	$	$	$
Expenditures								
Salaries and other benefits		7,940	5,196	20,110	11,322	26,222	25,425	23,524
Professional and casual fees		57,725	7,787	100,094	22,538	192,315	32,157	15,444
Depreciation		1,499	1,253	1,499	1,253	2,640	3,121	4,126
Accretion of convertible notes payable	6	221,946	-	421,735	-	158,593	-	-
Interest expense		24,946	-	49,842	-	19,723	724	269
Other		266	1,951	1,497	2,653	68,530	5,464	2,989
		314,321	16,187	594,775	37,765	468,022	66,890	46,352
Other -								
Interest income		-	-	-	-	31,696	4,763	6,779
		-	-	-	-	31,696	4,763	6,779
Net loss before income taxes		(314,321)	(16,187)	(594,775)	(37,765)	(436,326)	(62,127)	(39,572)
Income taxes		-	-	-	-	-	-	-
Net loss for the period		(314,321)	(16,187)	(594,775)	(37,765)	(436,326)	(62,127)	(39,572)
Deficit, beginning of period		(1,919,178)	(1,223,975)	(1,638,724)	(1,202,397)	(1,202,397)	(1,140,268)	(1,100,696)
Deficit, end of period		(2,233,499)	(1,240,163)	(2,233,499)	(1,240,163)	(1,638,724)	(1,202,397)	(1,140,268)
Net loss per share - basic and diluted		(314)	(162)	(595)	(378)	(436)	(621)	(396)
Weighted average shares - basic and diluted		1,000	100	1,000	100	1,000	100	100

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

GOLDHEART INVESTMENT HOLDINGS LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the 3 month period ended		For the 6 month period ended		For the years ended		
AS AT	(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	12/31/2008	(Note 2) 12/31/2007	(Note 2) 12/31/2006
	$	$	$	$	$	$	$
Net loss	(314,321)	(16,187)	(594,775)	(37,765)	(436,326)	(62,127)	(39,572)
Other comprehensive income (loss)							
Foreign currency translation adjustment	(1,278,299)	14,952	(906,454)	281,356	(23,111)	(316,078)	3,504
Comprehensive loss	(1,592,620)	(1,235)	(1,501,230)	243,591	(459,438)	(378,205)	(36,069)

GOLDHEART INVESTMENT HOLDINGS LTD.
CONSOLIDATED STATEMENTS OF ACCUMULATED COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the 3 month period ended		For the 6 month period ended		For the years ended		
AS AT	(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	12/31/2008	(Note 2) 12/31/2007	(Note 2) 12/31/2006
	$	$	$	$	$	$	$
Accumulated other comprehensive income (loss), beginning of the period	36,159	(46,171)	(335,686)	(312,575)	(312,575)	3,503	-
Other comprehensive income (loss)	(1,278,299)	14,952	(906,454)	281,356	(23,111)	(316,078)	3,503
Accumulated other comprehensive income (loss), end of the period	(1,242,140)	(31,219)	(1,242,140)	(31,219)	(335,686)	(312,575)	3,503

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

GOLDHEART INVESTMENT HOLDINGS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW

(Expressed in Canadian Dollars)

		For the 3 month period ended		For the 6 month period ended		For the years ended		
		(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	(Unaudited) 6/30/2009	(Unaudited) 6/30/2008	12/31/2008	(Note 2) 12/31/2007	(Note 2) 12/31/2006
	Notes	$	$	$	$	$	$	$
Cash flows from operating activities								
Net loss		(314,321)	(16,187)	(594,775)	(37,765)	(436,326)	(62,127)	(39,572)
Adjustments for:								
Depreciation		1,499	1,253	1,499	1,253	2,640	3,121	4,126
Accretion of convertible notes payable	6	221,946	-	421,735	-	158,593	-	-
Accrued Interest Expense		-	-	-	-	18,641	-	-
Other		-	-	-	-	58,598	-	-
		(90,877)	(14,933)	(171,542)	(36,512)	(197,855)	(59,006)	(35,446)
Movement in non-cash working capital	9	(55,853)	(19,440)	(97,208)	15,157	481,568	8,215	(155,396)
		(146,729)	(34,374)	(268,750)	(21,355)	283,713	(50,791)	(190,842)
Cash flows from investing activities								
Purchase of equipment		-	(6,059)	-	(6,059)	(250,420)	(2,789)	(1,574)
Expenditure on resource assets	4	(179,429)	47,722	(158,589)	(80,062)	(1,166,761)	(1,351,561)	(149,946)
		(179,429)	41,663	(158,589)	(86,121)	(1,417,181)	(1,354,350)	(151,520)
Cash flows from financing activities								
Note payable - repayments		(156,726)	-	(343,592)	-	(456,430)	-	-
Note payable - advances		333,877	109,651	589,906	143,740	2,376,497	1,430,094	368,729
		177,151	109,651	246,314	143,740	1,920,067	1,430,094	368,729
Effects of exchange rate changes on cash		(13,948)	396	(17,460)	(17,072)	(355,463)	44,660	(36,877)
Net (decrease) increase in cash		(162,956)	117,336	(198,488)	19,191	431,137	69,612	(10,510)
Cash, beginning of period		488,125	(5,625)	523,657	92,520	92,520	22,908	33,418
Cash, end of period		325,169	111,711	325,169	111,711	523,657	92,520	22,908

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

1. INCORPORATION AND NATURE OF BUSINESS AND GOING CONCERN

Goldheart Investment Holdings Ltd ("GoldHeart" or "the Company") was incorporated by Articles of Association under the laws of the British Virgin Islands on October 15, 2008. GoldHeart's primary asset is an investment in 100% of the common stock of ETK, Inc. ("ETK"). GoldHeart obtained it's investment in ETK as the result of entering into a Formation and Contribution Agreement with Crescent Global Gold, Ltd. ("CGG") and Mercedario Limited ("Mercedario") whereby CGG contributed the ETK common stock in exchange for 80% of GoldHeart's common stock and Mercedario contributed certain mineral property rights in exchange for 20% of the common stock of GoldHeart (Note 3).

ETK was incorporated on October 29, 1999 under the Companies Act of Guyana. The company secured property rights to two properties in Guyana in 1999 through joint venture agreements with two Guyanese residents.

All of the ETK's operations are conducted through a joint venture called the Upper Puruni Venture ("Venture"). ETK is the operator of the Venture, owns all of the personal property utilized for venture purposes, receives all of the revenue and bears any losses from the Venture operations. The other Venturer receives an in-kind royalty of 6% of the gross production from Venture mining operations.

The Company is in the process of exploring its mineral properties and has not yet established whether its mineral exploration properties contain reserves that are economically recoverable. The recovery of amounts capitalized for resource assets and related deferred costs on the balance sheet are dependent upon the existence of economically recoverable mineral deposits, the ability of the Company to complete exploration and/or development of the properties, including related financing requirements and upon future profitable production or, alternatively, upon proceeds from the disposition of the properties. To date, ETK has not earned significant revenues relative to its costs incurred for exploration activities. Accordingly, it is considered to be in the development stage as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

These consolidated financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is therefore dependent upon its ability to finance its current and future operations and future acquisition costs. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of resource assets and equipment, liabilities, the reported expenses, and the balance sheet classifications used. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and related notes.

Consolidation and Continuity of Interests

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ETK, Inc. All material inter-corporate balances and transactions have been eliminated.

As discussed in Note 3, GoldHeart acquired 100% of the common stock of ETK on December 15, 2008 in exchange for 80% of the shares of GoldHeart. The exchange was accounted for as a continuity of interests in accordance with EIC-89, *Exchanges of Ownership Interests between Enterprises under Common Control.* Since GoldHeart was formed in 2008, ETK is considered the predecessor entity for comparative reporting purposes. Accordingly, the financial statements for the years ended December 31, 2006 and 2007 are the financial statements of ETK.

Joint Ventures

Substantially all of the Company's exploration and development activities are conducted jointly with other companies. These financial statements reflect only the Company's proportionate interest in such activities.

Translation of Convenience

The Company's functional currency is the US dollar. ETK's functional currency is the Guyanese dollar and they report to the Company in US Dollars. The Company presents the consolidated financial statements as at and for the six month period ended June 30, 2009 and years ended December 31, 2008, 2007, and 2006 in Canadian dollars, using the translation of convenience method whereby all assets and liabilities are converted into Canadian dollars at the period end rate and amounts on the statements of operations and deficit, and the statements of cash flows are converted into Canadian dollars at the average exchange rate. The rates used are displayed below.

	6/30/2009	12/31/2008	12/31/2007	12/31/2006
As of	146.01	166.84	163.04	208.16
Average	166.82	190.77	167.60	185.13

Guyana Dollars per Canadian Dollar

	6/30/209	12/31/2008	12/31/2007	12/31/2006
As of	0.86505	0.81780	1.01936	0.85807
Average	0.82947	0.94410	0.93565	0.88206

US Dollars per Canadian Dollar

The supplementary information in Canadian dollars is presented only for the convenience of some readers and thus has limited usefulness. This translation should not be viewed as a representation that such Guyana dollar amounts or US dollar amounts actually represent such Canadian dollar amounts or could be or would have been converted into Canadian dollars at the rate indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is stated at cost. Depreciation is provided on a straight-line basis on the expected useful lives of the assets using the following annual rates.

	%
Heavy equipment	5 - 10
Office furniture & equipment	10 – 20
Camp equipment	20
Motor vehicles	20
Other equipment	20

Resource assets

Exploration and development expenses relating to mineral properties and deferred exploration and development expenditures are carried at cost until they are brought into production, at which time they are depleted over the estimated useful life of the mineral property. The costs incurred prior to commercial production will be depleted on a unit-of-production basis over the expected life of the mine or written off when they are abandoned or if a project proves to be uneconomical. Proceeds from the sale of a mining asset are applied to reduce the related carrying costs; any excess is reflected as a gain in the consolidated statements of operations and deficit. Losses on partial sales are recognized and reflected in the consolidated statements of operations and deficit.

The Company also reviews the carrying value of mineral properties and deferred exploration costs whenever events or changes in circumstances indicate the carrying value may not be recoverable. This review is generally made with reference to the timing of exploration work, work programs proposed, exploration results achieved by the Company and by others in the related area of interest, and an assessment of the likely results to be achieved from performance of further exploration and development. When the results of this review indicate that a condition of impairment exists, the Company estimates the net recoverable amount of the deferred exploration costs and related mining rights by reference to the potential for success of further exploration activity and/or the likely proceeds to be received from sale or assignment of the rights. When the carrying values of mining rights or deferred exploration costs are estimated to exceed their net recoverable amounts, a provision is made for the decline in value.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of mineral properties. The carrying value is reduced by option proceeds received until such time as the property cost and deferred expenditures are reduced to nominal amounts. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

The carrying values of mineral properties and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. Estimated undiscounted future net cash flows for properties in which a mineral resource has been identified are calculated using estimated future production, commodity prices, operating and capital costs and reclamation and closure costs. If it is determined that the future net cash flows from a property are less than the carrying value, then an impairment loss is recorded to write down the property to fair value.

Future Income Taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of asset retirement obligations, future income taxes, depletion and amortization and the related useful lives of property plant and equipment, the recoverability of mineral properties, and property and equipment. By their nature, these estimates are subject to measurement uncertainty, and the effect of changes in such estimates on the financial statements of future periods could be significant.

The Black-Scholes option pricing model was developed for use in estimating the fair value of equity portion of the convertible. In addition, option pricing models require the input of highly subjective assumptions including the expected stock price volatility. Because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its conversion option. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes of estimates in future periods could be significant.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

Basic earnings per share are computed by dividing earnings by the weighted average number of common shares outstanding. Diluted earnings per share reflect the potential dilution that would occur if dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method and the effect of convertible securities by the "if converted" method. Fully diluted amounts are not presented when the effect of the computations is anti-dilutive.

Asset retirement obligation

The Company's exploration and development activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes the estimated fair value of future site restoration as a liability in the period in which it incurs a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development and/or normal use of the asset, if a reasonable estimate can be made. The liability is initially measured at its estimated fair value and the associated cost is capitalized into the carrying value of the related assets. In subsequent periods, the liability is adjusted for accretion of the discount and any change in the amount or timing of the underlying cash flows. The asset retirement cost is depreciated over the remaining life of the assets.

Pursuant to the Company's prospecting licenses granted by the Guyana Geology and Mines Commission and the terms of the Venture agreement, the Company is currently not liable for any material asset retirement obligations until commercial production is achieved. The Company is not liable for any reclamation or abandonment costs if the projects are abandoned prior to commercial production. Upon commencement of commercial production, an estimate of clean up costs will be made and a reserve fund will be set up if required.

Debt Instrument

On issue of convertible debt instruments, the liability component and the equity component are determined separately. The value of the equity component is determined using the Black-Scholes fair value model. The difference between the proceeds of the issued convertible notes and the fair value of the equity component is assigned to the liability component. In subsequent periods, the carrying value of the debentures will be accreted up to its face value over the term to maturity.

Changes in Accounting Policies

Effective January 1, 2008, the following new accounting recommendations have been adopted by the Company:

The Company adopted CICA Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation. The standards require disclosure of the significance of financial instruments to an entity's financial statements, the risks associated with the financial instruments and how those risks are managed. The main impact of these standards to the Company is additional disclosures in the financial statements (Note 13).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company adopted CICA Section 1535, Capital Disclosures, which requires entities to disclose their objectives, policies and processes for managing capital, including quantitative data on the capital, and in addition, whether the entity has complied with any externally imposed capital requirements. The impact of this standard to the Company is additional disclosures in the financial statements (Note 14).

The CICA has amended Section 1400, "General Standards of Financial Statement Presentation", which is effective for interim periods beginning on or after January 1, 2008, to include requirements for management to assess and disclose the Company's ability to continue as a going concern (Note 1).

The CICA has issued accounting standard Section 3031 "Inventories". This section provides guidance on the method of determining the cost of the Company's materials and supplies. The accounting standard specifies that inventories are to be valued at the lower of cost and net realizable value. The standard requires the reversal of previously recorded write downs to realizable value when there is clear evidence that net realizable value has increased. The adoption of this Section had no material impact on its consolidated financial statements.

In February 2008, the CICA issued Section 3064 of the Handbook, Goodwill and Intangible Assets, replacing Section 3062 of the Handbook, Goodwill and Other Intangible Assets, and Section 3450 of the Handbook, Research and Development Costs. The Section is applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the standard for its fiscal year beginning January 1, 2009. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this Section has not had any material impact on the Company's consolidated financial statements.

New Accounting Pronouncements

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved Emerging Issues Committee ("EIC") Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" ("EIC-173"). EIC-173 requires the Company to consider the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 20, 2009. The adoption of this Abstract is not expected to have any material impact on the Company's financial statements.

Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee issued Abstract EIC-174, "Mining Exploration Costs". In this Abstract, the Committee reached a consensus that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Adoption of this section is not expected to have any material impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combinations

In 2008, the CICA issued handbook Section 1582, "Business Combinations", which is effective for business combinations with an acquisition date after January 1, 2011. The standard requires the additional use of fair values measurements, expensing of transaction costs, recognition of additional assets and liabilities and increased disclosure. The adoption of Section 1582 is expected to have a material impact on how to account for prospective business combinations. Additionally, as part of the application of 1582, companies will be required to adopt CICA handbook Section 1601 "Consolidated Financial Statements" and 1602 "Non-controlling interests". These sections will require that non-controlling interests be presented as part of shareholders' equity on the balance sheet and the controlling parent will be required to present 100 percent of the subsidiary's results in the statement of operations and present the allocation between controlling and non-controlling interest. These standards will be effective January 1, 2011, with early adoption permitted.

Effective January 1, 2011, Section 1601, Consolidated Financial Statements establishes standards for the preparation of consolidated financial statements and will replace the existing Section 1600, Consolidated Financial Statements. Earlier adoption is permitted as of the beginning of a fiscal year, in which case an entity would also early adopt Section 1582, Business Combinations and Section 1602, Non-Controlling Interests.

Effective January 1, 2011, Section 1602, Non-controlling Interests establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, "Consolidated and Separate Financial Statements". Earlier adoption is permitted as of the beginning of a fiscal year, in which case an entity would also early adopt Section 1582, Business Combinations and Section 1601, Consolidated Financial Statements. The Company is currently evaluating the impact of the adoption of the above new accounting standards on its consolidated financial statements.

The Canadian Accounting Standards Board (AcSB) has confirmed that the use of the International Financial Reporting Standards ("IFRS") will be required in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP commencing with interim and annual financial statements in 2011, with comparative IFRS information for 2010. The Company has developed a conversion plan which will see the reporting standards and accounting processes of the Company changed to IFRS by 2011. The Company will continue to report its financial information under Canadian GAAP through 2010 and will commence reporting under IFRS effective January 1, 2011. The impact of adopting IFRS on the Company's balance sheet has not yet been determined.

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

3. FORMATION AND CONTRIBUTION AGREEMENT

On December 15, 2008, GoldHeart acquired 100% of the common stock of ETK from CGG in exchange for 800 shares or 80% of the shares of GoldHeart and acquired certain mineral property rights from Mercedario in exchange for 200 or 20% of the shares of GoldHeart. The purpose of the formation of GoldHeart was to centralize ownership and control of ETK and all property rights associated with the Toroparu Prospect in Guyana, South America.

The Formation and Contribution Agreement establishes the value of ETK as USD$16.0 million (CAD$19.5 million). However, CGG's transfer of its equity interest in ETK to GoldHeart is effectively an exchange of equity interests between enterprises under common control due to common directors, officers and shareholders and therefore, accounted for as continuity of interest. Accordingly, the acquisition of ETK has been recorded on GoldHeart's balance sheet at ETK's carrying value of $13.2 million at December 15, 2008. The reported net income (loss) of the combined company includes the income and loss of GoldHeart and ETK for the entire fiscal year.

The value of the mineral properties contributed by Mercedario is established as USD$4.0 million (CAD$4.9 million) by the Formation and Contribution Agreement. Mercedario is an unrelated party with a non-controlling ownership position and accordingly, its equity interest is recorded at the exchange value of CAD $4.9 million.

4. RESOURCE ASSETS

The following is a summary of the direct costs that have been capitalized for exploration and development activities conducted by the Venture.

RESOURCE ASSETS	(Unaudited) 6/30/2009	12/31/2008	12/31/2007	12/31/2006
	$	$	$	$
Balance, beginning of period	20,345,639	14,098,444	9,311,791	8,651,603
Mineral property rights contributed by Mercedario (	-	4,891,171	-	-
Net cash expenditure	158,589	1,166,761	1,351,561	149,946
Depreciation	158,041	250,955	1,160,295	29,218
Effects of exchange rate on balance	(1,118,819)	(61,692)	2,274,797	481,024
Balance, end of period	19,543,450	20,345,639	14,098,444	9,311,791

At each reporting period end, there is no impairment charge recorded.

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

5. PLANT AND EQUIPMENT

	$	$	$
			(Unaudited) 6/30/2009
	Cost	Accumulated Depreciation	Net
Camp Equipment	1,404,576	1,381,351	23,225
Heavy Equipment	2,054,901	1,897,347	157,554
Other Equipment	63,601	62,272	1,330
Vehicles	292,001	287,886	4,115
Office Furniture & Equipment	44,985	44,450	535
	3,860,065	3,673,306	186,759

			12/31/2008
	Cost	Accumulated Depreciation	Net
Camp Equipment	1,485,678	1,429,659	56,019
Heavy Equipment	2,173,553	1,889,430	284,123
Other Equipment	67,274	65,125	2,149
Vehicles	308,862	288,529	20,333
Office Furniture & Equipment	47,583	45,496	2,086
	4,082,949	3,718,240	364,709

			12/31/2007
	Cost	Accumulated Depreciation	Net
Camp Equipment	1,501,789	1,335,171	166,618
Heavy Equipment	1,976,627	1,758,697	217,930
Other Equipment	68,841	65,135	3,706
Vehicles	289,305	262,786	26,519
Office Furniture & Equipment	48,485	43,468	5,018
	3,885,047	3,465,256	419,791

			12/31/2006
	Cost	Accumulated Depreciation	Net
Camp Equipment	1,174,407	799,908	374,498
Heavy Equipment	1,548,187	1,240,469	307,718
Other Equipment	53,919	45,318	8,601
Vehicles	226,598	175,798	50,800
Office Furniture & Equipment	37,656	31,533	6,123
	3,040,767	2,293,026	747,740

At each reporting period end, there is no impairment charge recorded.

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

6. NOTES PAYABLE–REVOLVING DEBT AND CONVERTIBLE NOTES PAYABLE

NOTES PAYABLE-REVOLVING DEBT

Notes payable represents amounts payable as follows:

	(Unaudited) 6/30/2009	12/31/2008	12/31/2007	12/31/2006
	$	$	$	$
Balance, beginning of period	1,262,640	15,911,165	11,310,947	10,983,018
Crescent Loan payments	(343,593)	(448,819)	-	-
Crescent Loan drawdowns	589,906	1,232,828	1,430,094	368,729
Movement in Exchange Rates	(79,057)	(701,724)	3,170,124	(40,800)
Crescent Loan write- off (Note 7)	-	(14,730,810)	-	-
Balance, end of period	1,429,896	1,262,640	15,911,165	11,310,947
Comprised of:				
Due to CGR	1,429,896	1,262,640	15,911,165	11,310,947
	1,429,896	1,262,640	15,911,165	11,310,947

ETK entered into an unsecured loan arrangement (the "Crescent Loan") with its then majority shareholder, Crescent Global Resources Ltd. ("Crescent), in 1999 to obtain funding for the development of the business of ETK Inc. in Guyana. The loan agreement was amended in 2006 and 2007.

Crescent and other parties formed CGG to obtain and hold all of the shares of ETK. As a condition to the issuance of shares of CGG to Crescent in exchange for the shares of ETK, Crescent and ETK entered into a Recapitalization and Contribution Agreement in September 2008 whereby Crescent agreed to cancel and forgive the amount of debt outstanding as of June 30, 2007 (Note 7). All sums advanced after June 30, 2007 remain subject to the Crescent Loan Agreement, as amended.

The salient terms of the Crescent Loan, after execution of the Recapitalization and Contribution Agreement, are:

- Crescent agreed to loan ETK up to the Guyana Dollar equivalent of the sum of USD $2.0 Million over and above the sum due and owing under the Crescent Loan on June 30, 2007.
- The loan is interest free until January 1, 2010.
- Beginning on January 1, 2010, interest begins to accrue at a rate of 5% per annum
- Beginning on January 1, 2010 and semi - annually thereafter, principal and interest due under the loan shall be repaid in twenty equal semi-annual installments of principal plus interest on the unpaid principal.
- The due date of the Crescent Loan may be accelerated upon the occurrence of any "Event of Default" as defined in the Crescent Loan Agreement. After the occurrence of an event of default that is not timely cured, interest shall thereafter accrue at a rate of 13%.

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

6. NOTES PAYABLE–REVOLVING DEBT AND CONVERTIBLE NOTES PAYABLE (continued)

Convertible Debt

NOTES PAYABLE-CONVERTIBLE DEBT

Convertible notes payable represents amounts payable as follows:

	(Unaudited) 6/30/2009	12/31/2008
	$	$
Balance, beginning of period	2,888,133	-
Notes assumed from CGG (i)	-	1,442,845
Accrued Interest	25,770	140,003
Notes issued by Goldheart (ii)	-	1,296,115
Accrued Interest	21,268	9,170
Total convertible debt	2,935,171	2,888,133
Equity portion	(1,062,241)	(1,062,241)
Liability portion	1,872,930	1,825,892
Accretion of convertible notes payable	421,735	158,593
Effects of exchange rate on balance	56,103	24,595
Balance, end of period	2,350,768	2,009,080

(i) On October 10, 2008, the Company assumed convertible promissory notes with principal amounts totaling $1,442,845 and accrued interest payable of $127,654 ("Assumed Promissory Notes"). The Assumed Promissory Notes were originally issued by CGG in 2007 and 2008 for purposes of funding ETK's operations and exploration activities during that period. Principle and accrued interest on these notes total $1,582,848 at December 31, 2008.

(ii) Also on the date of the assumption of the Assumed Promissory Notes, the Company issued new convertible promissory notes in the amount of $1,296,115 ("New Promissory Notes") for continued funding of ETK's activities. Principal and accrued interest on the notes total $1,305,285 at December 31, 2008.

The salient terms of the Assumed Promissory Notes and the New Promissory Notes are:

- The promissory notes mature on September 30, 2009.
- Interest accrues at 3.5% and is due at the maturity date.

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

6. NOTES PAYABLE–REVOLVING DEBT AND CONVERTIBLE NOTES PAYABLE (continued)

- The entire principle amount of both the assumed and new promissory notes ("convertible notes") and any unpaid accrued interest thereon shall be converted upon the first to occur of:
  - Payor initiating a public offering of securities.
  - Payor closing of at least a USD$3.0 million equity investment in a private financing.
  - The September 30, 2009 maturity date.

The convertible notes are financial instruments that contain both a liability and equity component. The liability component and the equity component are presented separately, as determined at initial recognition. The Company has valued the equity component of these convertible notes using the Black-Scholes fair value model with the following assumptions: risk-free rate 3%, estimated life 1 - 2 years, volatility of 0% and dividend yield of Nil. The difference between the proceeds of the issued convertible notes and the fair value of the equity component is assigned to the liability component. The resulting liability component was $766,696 and $679,877 and the equity component was $761,804 and $616,291 for the Assumed Promissory Notes and New Promissory Notes, respectively. For the year ended December 31, 2008, accretion expense related to the liability component of the convertible debentures is $158,593, and for the six month period ended June 30, 2009 the accretion expense is $421,735. The carrying value of the debentures will be accreted up to its face value over the term to maturity. Upon maturity, the convertible notes are not payable in cash.

7. SHAREHOLDERS' EQUITY

SHAREHOLDERS EQUITY	**(Unaudited)**			
Capital stock	6/30/2009	12/31/2008	12/31/2007	12/31/2006
Shares authorised-50,000 ordinary shares of no par value	$	$	$	$
Balance, beginning of period	4,892,045	874	874	874
Issuance of 1000 shares	-	4,891,171	-	-
Balance, end of period	4,892,045	4,892,045	874	874
Shares issued and fully paid				
1,000 ordinary shares - stated value	1,000	1,000	100	100

On December 15, 2008, the Company issued 800 common shares in exchange for all shares outstanding in ETK. In addition the Company issued 200 common shares in exchange for certain mineral property rights (Note 3) pursuant to the Formation and Contribution Agreement and the values recorded for the ETK common stock and mineral properties and the resulting amount recorded as capital stock.

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

7. SHAREHOLDERS' EQUITY (continued)

Contributed surplus

	(Unaudited) 6/30/2009	12/31/2008
	$	$
Balance, beginning of period	13,147,962	-
Crescent Loan write-off (Note 6)	-	14,730,810
Assumption of Crescent convertible notes	-	(1,582,848)
Balance, end of period	13,147,962	13,147,962

In September 2008, CGG and ETK entered into a Recapitalization and Contribution Agreement whereby Crescent agreed to cancel and forgive the debt outstanding as of June 27, 2007 in the amount of $14,730,810. Because CGG and ETK are entities under common control (Note 3), the debt cancellation is considered a contribution of capital and accordingly has been classified as contributed surplus.

Also as part of this agreement, GoldHeart agreed to assume certain convertible promissory notes from CGG (Note 6). The proceeds of the Assumed Promissory Notes were distributed through the Crescent Loan and had been used to fund exploration activities. Since the forgiveness of the Crescent Loan was treated as contributed surplus, the Assumed Promissory Notes in the amount of $1,582,848 have been charged to contributed surplus.

Stock options and warrants

The Company has not adopted an incentive stock option plan, nor has it issued any common stock warrants as of the balance sheet date.

8. COMMITMENT

The Venture Agreement provides that ETK shall commence commercial production, defined as production of 50,000 ounces of gold per year, beginning January 1, 2013. In addition, future exploration and development cost commitments for ETK under the Venture Agreement are as follows:

	$
2009	289,000
2010	289,000
2011	289,000
2012	289,000
Thereafter	-
	1,156,000

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

9. CHANGE IN NON-CASH WORKING CAPITAL

	(Unaudited) 6/30/2009	12/31/2008	12/31/2007	12/31/2006
	$	$	$	$
Change in accounts receivable and other	(12,426)	65,929	(31,785)	(6,579)
Change in accounts payable	(173,914)	554,831	338,090	(148,818)
Movement in Exchange Rates	89,131	(139,191)	(298,089)	-
Change in non-cash working capital	(97,208)	481,568	8,215	(155,396)

10. INCOME TAXES

Reconciliation of net income for accounting purposes with the net income for income tax purposes is as follows:

	(Unaudited) 6/30/2009	12/31/2008	12/31/2007	12/31/2006
Consolodated net loss before extraordinary loss	(594,775)	(436,326)	(62,127)	(39,572)
Guyanese statutory tax rate	35%	35%	35%	35%
Recovery of income taxes at statutory rate	(208,171)	(152,714)	(21,745)	(13,850)
Net increase in valuation allowance	208,171	152,714	21,745	13,850
Balance, end of year	-	-	-	-

	(Unaudited) 6/30/2009	12/31/2008	12/31/2007	12/31/2006
Property and equipment Non-capital losses carried	$ -	$ -	$ -	$ -
Valuation allowance				
Future income taxes	$ -	$ -	$ -	$ -

11. LOSS PER SHARE

	(Unaudited) 6/30/2009	12/31/2008	12/31/2007	12/31/2006
	$	$	$	$
Loss per share is calculated as follows:				
Loss for the year	(594,775)	(436,326)	(62,127)	(39,572)
Number of shares issued	1,000	1,000	100	100
Loss per share	(595)	(436)	(621)	(396)

As at and for the Years Ended December 31, 2008, 2007 and 2006 (Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTION

ETK is related to Crescent Global Resources Ltd. ("Crescent"). During 2007, Crescent, which owned 75% of the share capital of ETK, sold its shares to CGG. During 2008, CGG exchanged 100% of the share capital of ETK that it owned to GoldHeart for 800 shares of GoldHeart. Several members of the Board of Directors and certain members of management are common between ETK, Crescent, CGG and GoldHeart.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

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

(i) Credit Risk

The Company is exposed to credit risk through its cash and therefore, deposits cash with high credit quality financial institutions. As at period end, there was no impairment of trade receivables. Management considers the credit risk on the balances due from third parties to be minimal given the nature of the items as the majority of these relate to value added tax receivables. The maximum loss exposure is equivalent to the carrying value.

(ii) Liquidity Risk

The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient committed loan facilities to meet its short term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

To date the Company has relied on financing through loans from its majority shareholder. Since the Company has finite cash resources and no material income, the liquidity risk is significant and is managed by controls over expenditure. To the extent that the Company does not believe it has sufficient liquidity to meet obligations, it will consider securing additional equity funding, or engage in negotiations to extend terms with creditors. The table below lists the contractual maturities of financial liabilities as at June 30, 2009:

FINANCIAL LIABILITY	< 1 Year	1-2 Years	2-5 Years	Thereafter
Accounts payable	733,460			
Notes payable - revolving debt	53,692	214,768	322,152	1,168,985
Total	787,152	214,768	322,152	1,168,985

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(iii) Foreign currency risk

Certain assets and liabilities, namely cash and cash equivalents, accounts payable and accrued liabilities and notes payable and convertible notes include amounts that are exposed to currency fluctuations. The Company operates in Guyana and most of its revenues and expenses are incurred in Guyanese Dollars. A significant change in the currency exchange rates between the Canadian Dollar relative to the Guyanese Dollar could have an effect on the Company's results of operations, financial position or cash flows. There are no embedded derivatives in the notes payable – revolving debt or the convertible notes payable (Note 6) which are in US Dollars. The Company has not hedged its exposure to currency fluctuations.

Assuming all other variables remain constant, a 1% increase or decrease in currency exchange rates between the US dollar and the Canadian dollar would have impacted the net loss of the Company during the three month period ended June 30, 2009 by approximately $5,947. A 1% increase or decrease in the rate between the Guyanese dollar and the Canadian dollar would have impacted the net loss of the Company for the years ended December 31, 2008-$4,292; December 31, 2007 - $5,648; and December 31, 2006 - $3,597.

(iv) Commodity price risk

The Company is exposed to price risk due to changes in commodity prices related to its production. Changes in commodity prices may have a significant effect on potential future cash flows thus exposing the Company to the possibility of impairment write-downs.

For the three month period ended June 30, 2009, with all other variables unchanged, an increase of 10% in the prices of commodities related to the Company's production would have increased pre-tax earnings by $204,709, not taking into consideration any changes with respect to price participation of smelters on changes to the commodity prices or the derivative financial instruments.

(v) Interest rate risk

As of June 30, 2009, the Company's exposure to interest rate risk is as follows:

	$
Financial assets	
Cash	325,169
	325,169
Financial liabilities	
Notes payable	1,429,896
Fair Value of financial instruments	**1,363,352**

Assuming all other variables remain constant, a 1% increase or decrease in interest rates would have impacted the net loss of the Company during the three month period ended June 30, 2009 by approximately $3,313 (years ended December 31, 2008-$159,112; December 31, 2007 - $113,109; December 31, 2006 - $109,830).

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(vi) Fair value of financial instruments

The Company's financial instruments consist of cash, receivables, accounts payable, and loan facilities. Cash is measured at fair value, receivables are designated as "loans and receivables", and accounts payable and loan facilities are designated as "other financial liabilities". Financial assets and financial liabilities considered "loans and receivables" and "other financial liabilities" are measured at amortized costs. The non-interest bearing notes payable have a carrying value of $1,429,896 at June 30, 2009 (years ended December 31, 2008 - $1,262,640; December 31, 2007 - $15,911,165; December 31, 2006 - $11,310,947) and a fair value of $1,363,352 at June 30, 2009 (years ended December 31, 2008 - $1,147,855; December 31, 2007 - $13,149,723; December 31, 2006 - $8,498,082)

14. CAPITAL MANAGMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which comprises capital stock, contributed surplus and deficit, which at June 30, 2009 totalled $15,806,508 (December 31, 2008, $16,401,284; December 31, 2007 $(1,201,523); December 31, 2006 $(1,139,394)).

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as short-term guaranteed deposits, all held with major financial institutions. The Company is currently attempting to identify a mineral resource; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new mineral properties and seek to acquire an interest in additional mineral properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Neither of the credit agreements for the notes payable revolving debt, or the convertible notes payable, contain any financial covenants.

15. RECONCILIATION TO CANADIAN GAAP

A review comparing the application of Canadian generally accepted accounting principles in the preparation of these financial statements with IFRS principles applied to ETK year end statements 2006, 2007 and 2008 has been performed. As a result of this review it was concluded that in so far as these financial statements are concerned, there are no material differences to report.

16. SUBSEQUENT EVENT

On May 11, 2009, the Company signed an acquisition agreement whereby Sandspring Resources, Ltd., ("Sandspring") a Calgary, Alberta based Capital Pool Company, will acquire 100% of the shares of GoldHeart in exchange for shares of Sandspring, subject to shareholder, legal and regulatory approval. The transaction is anticipated to close in September 2009; however, there can be no assurance that the acquisition will be completed.

UNAUDITED PRO FORMA BALANCE SHEET OF THE CORPORATION

Unaudited pro forma consolidated balance sheet as at June 30, 2009

SANDSPRING RESOURCES LTD.
PRO-FORMA CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2009
(UNAUDITED)
EXPRESSED IN CAD$

	Sandspring Resources Ltd.	GoldHeart Investment Holdings Ltd.	Notes	Pro-forma Adjustments	Pro-forma Consolidated
ASSETS					
Current					
Cash and cash equivalents (in trust)	$78,537	$ 325,169	2(d)	$6,000,050	$6,204,752
			2(d)	(480,004)	
			2(c)	(289,000)	
			2(e)	550,000	
			2(f)	20,000	
Accounts receivable and other	-	85,353		-	85,353
	78,537	410,522		5,801,046	6,290,105
Deferred costs	154,200		2(a)	(154,200)	-
Resource assets	-	19,543,450		-	19,543,450
Plant and equipment, net	-	186,759		-	186,759
	$232,737	$20,140,731		5,646,846	$26,020,315
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	$135,796	$ 733,460	2(g)	$ 715,000	$1,584,256
Long-term liabilities -					
Convertible notes payable	-	2,350,768	2(b)	284,770	-
			2(b)	(2,635,538)	
			2(e)	550,000	
			2(e)	(550,000)	
Notes payable - revolving debt	-	1,429,896	2(c)	(839,000)	520,200
			2(c)	(70,696)	
	-	3,780,663		(3,260,464)	520,200
Total liabilities	135,796	4,514,123		(2,545,464)	2,104,456
SHAREHOLDERS' EQUITY					
Capital stock and warrants	737,169	4,892,045	2(a)	(737,169)	14,828,595
			2(a)	96,941	
			2(b)	2,635,538	
			2(c)	550,000	
			2(d)	5,520,046	
			2(d)	(205,716)	
			2(b)	1,062,241	
			2(e)	550,000	
			2(f)	20,000	
			2(g)	(292,500)	
Contributed surplus	-	13,147,962	2(c)	70,696	13,424,374
			2(d)	205,716	
Equity portion of convertible notes	-	1,062,241	2(b)	(1,062,241)	-
Accumulated other comprehensive (loss)	-	(1,242,140)		-	(1,242,140)
Retained earnings (deficit)	(640,228)	(2,233,499)	2(a)	640,228	(3,094,969)
			2(a)	(154,200)	
			2(b)	(284,770)	
			2(g)	(422,500)	
	96,941	15,626,608		8,192,310	23,915,860
	$232,737	$ 20,140,731		$ 5,646,846	$26,020,315

The accompanying notes are an integral part of this unaudited pro-forma consolidated balance sheet.

1. BASIS OF PRESENTATION

Sandspring Resources Ltd. (the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on September 20, 2006 and is classified as a Capital Pool Company as defined in Policy 2.4 ("Policy 2.4") of the TSX Venture Exchange (the "Exchange"). The Company proposes to identify and evaluate potential acquisitions or businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval, for the purpose of completing a "Qualifying Transaction" (as such term is defined in Policy 2.4).

The accompanying unaudited pro forma consolidated balance sheet as at June 30, 2009 (the "pro forma statements") have been prepared to reflect the closing of the reverse takeover of the Company by GoldHeart Investment Holdings Ltd. ("GHI") The pro forma balance sheet has been prepared from information derived from and should be read in conjunction with:

1) The audited financial statements of the Company for the year ended December 31, 2008 incorporated in the prospectus by reference;
2) The audited financial statements of GHI for the year ended December 31, 2008 included elsewhere in the prospectus;
3) The unaudited consolidated financial statements of the Company as at and for the three and six month periods ended June 30, 2009 incorporated in the prospectus by reference;
4) The unaudited consolidated financial statements of GHI as at and for the three and six month periods ended June 30, 2009;

The pro forma balance sheet has been prepared by management in accordance with Canadian generally accepted accounting principles. The unaudited pro forma consolidated balance sheet at June 30, 2009 gives effect to the transactions above and the assumptions in note 2 as if they had occurred on June 30, 2009. The pro forma balance sheet may not be indicative of the results that actually would have occurred if the events reflected therein had been in effect on the dates indicated or of the results which may be obtained in the future.

Accounting policies used in preparation of the pro forma balance sheet are in accordance with those disclosed in the Company's and GHI's audited consolidated balance sheet as December 31, 2008 and the unaudited interim consolidated financial statements as at and for the six month period ended June 30, 2009.

In the opinion of management, the pro forma balance sheet includes all the necessary adjustments for the fair presentation of the ongoing entity.

2. PRO FORMA TRANSACTIONS AND ASSUMPTIONS

As per the terms and conditions of Share Exchange Agreement ("SEA") between the Company and GHI, the Company will acquire all of the GHI outstanding shares from the existing GHI shareholders by issuing 38,156,288 common shares (the "Transaction"). Following completion of the Transaction, GHI will be a wholly owned subsidiary of the Company. The acquisition of GHI has been accounted for as a capital transaction using the reverse takeover accounting rules for transactions that do not constitute business combinations for accounting purposes. As such, GHI will be the continuing entity for accounting purposes. The proposed Transaction is subject to the TSX Venture Exchange and shareholders approvals.

The pro forma consolidated balance sheet as at June 30, 2009 gives effect to the Transaction and adjustments referred to in Note 1 effective June 30, 2009 as well as the following;

a) The capital stock has been adjusted to reflect the issuance of 38,156,288 common shares of the Company to acquire all of the GHI outstanding common shares at an assigned value reflecting the net book value of the Company adjusted for acquisition costs of $131,500 which have been written off to reflect the closing of the Transaction.

b) The convertible notes payable of GHI has been adjusted for accrued interest and accretion of $284,770. The total principal plus accrued interest and equity component of the convertible notes has been eliminated through the issuance of 5,271,076 common shares at $0.50 per common share as per the original conversion terms of the notes.

c) The notes payable – revolving debt of GHI has been reduced through the issuance of 1,571,429 units at $0.35 per unit, a cash payment of $289,000 (US $250,000) and debt forgiveness of $70,696 resulting in an outstanding balance of $520,200. Units consist of one common share and one half of one warrant. Warrants have a maturity of five years, and a strike price of $0.50. A Black-Scholes valuation of $0.066 per warrant has been determined using a volatility of 70%, dividend yield of nil and a risk-free rate of 2.55%.

d) The $6,000,050 proceeds from a private placement of 17,143,000 units at $0.35 per unit less estimated transaction costs of $480,004. Units consist of one common share and one half of one warrant. Warrants have a maturity of 36 months, and a strike price of $0.50. A Black-Scholes valuation of $0.093 per warrant has been determined using a volatility of 70%, dividend yield of nil and a risk free rate of 2.55%. Pursuant to this private placement, 1,714,300 compensation options granted to the underwriters have been adjusted for as share issue costs in the amount of $205,716. The Agent's options have a maturity of 36 months, and a strike price of $0.35. A Black-Scholes valuation of $0.12 per option has been determined using a volatility of 70%, dividend yield of nil and a risk free-rate of 2.55%.

e) On August 17, 2009, cash proceeds of $550,000 were received through the issuance of Convertible Debt. The Convertible Debt will be retired through the issuance of 1,571,429 units at $0.35 per unit. Units consist of one common share and one half of one warrant. Warrants have a maturity of five years, and a strike price of $0.50. A Black-Scholes valuation of $0.066 per warrant has been determined using a volatility of 70%, a dividend yield of nil and a risk free rate of 2.55%.

f) On August 21, 2009, the Company issued 200,000 common shares at a price of $0.10 per common share pursuant to the Agent's Option.

g) An accrual for $715,000 has been recorded for transaction costs.

CERTIFICATE OF THE CORPORATION AND OF THE PROMOTER

Dated: September 23, 2009

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan and Ontario.

SANDSPRING RESOURCES LTD.

(Signed) Mark C. Maier Chief Executive Officer	(Signed) Mark C. Maier Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) Joel D. Schneyer Director	(Signed) Charles G. Gryba Director

PROMOTER

(Signed) Mark C. Maier

CERTIFICATE OF THE REVERSE TAKEOVER ACQUIRER AND OF THE PROMOTER

Dated: September 23, 2009

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan and Ontario.

GOLDHEART INVESTMENT HOLDINGS LTD.

(Signed) John R. Adams Chief Executive Officer	(Signed) Richard A. Munson Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) John R. Adams Director	(Signed) P. Gregory Barnes Director	(Signed) Richard A. Munson Director

PROMOTER

(Signed) Richard A. Munson

CERTIFICATE OF THE UNDERWRITERS

Dated: September 23, 2009

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan and Ontario.

RESEARCH CAPITAL CORPORATION

(Signed) Howard Katz

RICHARDSON PARTNERS FINANCIAL LIMITED

(Signed) Sue Dabarno