

**FORM 51-102F3  
MATERIAL CHANGE REPORT  
UNDER NATIONAL INSTRUMENT 51-102**

**Item 1. Name and Address of Company**

Sandspring Resources Ltd. (“Sandspring” or the “Company”)  
8000 South Chester Street, Suite 375  
Centennial, CO 80112 USA

**Item 2. Date of Material Change**

April 9, 2013

**Item 3. News Release**

On April 9, 2013, a news release in respect of the material change was disseminated through the facilities of Marketwired and subsequently filed on SEDAR.

**Item 4. Summary of Material Change**

Sandspring announced the completion of a robust and positive pre-feasibility study and initial mineral reserve estimate for its wholly-owned Toroparu Gold Project in the Republic of Guyana.

**Item 5. Full Description of Material Change**

For a full description of the material change, please refer to the press release of the Company dated April 9, 2013 attached hereto.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

Richard A. Munson  
Chief Executive Officer  
(720) 854-0104

**Item 9. Date of Report**

April 16, 2013.



## **Sandspring Resources Positive Pre-Feasibility Study for Toroparu demonstrates 2.6 year payback on initial 1.32 g/t gold grade**

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**Toronto, Ontario – 9<sup>th</sup> April, 2013** -- Sandspring Resources Ltd. (TSX Venture: **SSP**) (“Sandspring”, or the “Company”) is pleased to announce the completion of a robust and positive pre-feasibility study (“PFS”) and initial mineral reserve estimate for its wholly-owned Toroparu Gold Project (the “Project”) in the Republic of Guyana.

The PFS goes beyond the strong economics outlined in the Updated Preliminary Economic Assessment completed by the Company in 2012 (the “Updated PEA”) to present a plan that provides several positive changes to the Project, including<sup>1</sup>:

- Estimated annual production of 246,000 ounces of gold at a mill head grade of 1.32 g/t produced at a cash cost of \$504<sup>2</sup> per payable ounce of gold on average over the first four years and 228,000 ounces at a cash cost of \$700 per ounce on average over the 16 year life of mine.
- Proven and Probable mineral reserve of 4.1 million ounces of gold contained in 127 million tonnes of ore at a grade of 1.00 g/t Au, a 32% increase in life of mine gold grades.
- A redesign of the processing flow sheet to produce 78% of gold in doré on site,
- After-tax NPV of US\$691 million and IRR of 23.1% with an attractive payback period of 2.6 years at a long-term gold price of \$1400/ounce.<sup>3</sup>

“We are pleased to announce completion of the PFS for Toroparu, and are encouraged that pre-feasibility engineering confirms the robust economics of the Project,” stated Yani Roditis, Sandspring’s President and Chief Operating Officer. “Net of pre-production revenue, the estimated development capital expenditures total US\$464 million, a reduction from the Updated PEA initial capital estimate, which we view as highly positive in the current inflationary cost environment for mining projects. Furthermore, mine plan optimization and design improvements during the PFS resulted in a life of mine capital reduction of \$129 million. The PFS increases our confidence and belief that Toroparu is a project that should be built and therefore Sandspring will continue to move forward with final permitting and development of the Project.”

Rich Munson, Chief Executive Officer stated, “We are delighted that the results of the PFS conducted by Yani and his team have confirmed the robust nature of the Project. We are encouraged by recent approaches from third parties expressing interest in developing Toroparu jointly with Sandspring. Despite the expressions of interest, we recognize that funding a project of this scale is challenging in the current environment. We have therefore engaged Cutfield Freeman & Co, a leading independent advisory firm in the mining sector, to conduct a process to determine the options available for financing the development of Toroparu and enhancing the value for our shareholders.” Rich went on to say, “We have been in Guyana for nearly fifteen years and we have built strong relationships with Government

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<sup>1</sup> All references in this Press Release as follows: Au = gold, Cu = copper, “\$” = US Dollars, “oz.” = troy ounces of gold, “g/t” = gram per metric tonne, “tonnes” = metric tonnes, “tpd” = metric tonnes per day, “Mtpy” = million tonnes per year, “koz” = thousand ounces, “Mlbs” = million pounds

<sup>2</sup> Cash costs include royalties and are net of by-product copper.

<sup>3</sup> After-tax NPV and IRR calculated at Base Case Model prices of \$1,400/oz. Au and \$3.25/lb. Cu.

and local stakeholders. Guyana is one of the few jurisdictions in the world welcoming responsible mining investment. The Government of Guyana has agreed to grant the Project a large-scale mining license authorizing Sandspring to commence production once economic feasibility of the project has been demonstrated. We are confident that the mine development plan outlined in this PFS is just the starting point for Sandspring not only because of the five million ounces of resource that lie just outside our current reserve pit shell and the ten promising gold anomalies within the recently identified 20 km alteration footprint around Toroparu, but also because of the pre-eminent geological team who continue to build an unequalled understanding of the potential of our extensive land position, as well as the regional potential of the large unexplored areas of northwestern Guyana and prolific western Guiana Shield greenstone belts.”

## Project Economics

Project economic results from the PFS Base, Downside and Upside Sensitivity Cases indicate that the Project generates a 16.1% after tax rate of return at a \$1200/ounce gold prices, 23.1% at \$1400/ounce, and 33.8% at \$1750/ounce of gold indicating that project returns are both robust at historic gold prices and positively leveraged to higher gold prices. Project economics are detailed in Table 1:

**Table 1: Project Economics**

<b>Project Economics</b> \$M = \$US Million	<b>Unit</b>	<b>Downside Sensitivity Case</b>	<b>Model Base Case<sup>4</sup></b>	<b>Upside Sensitivity Case</b>
<b>Gold Price</b>	<b>\$/oz.</b>	\$1,200	<b>\$1,400</b>	\$1,750
<b>Copper Price</b>	<b>\$/lb.</b>	\$3.25	<b>\$3.25</b>	\$3.50
Pre-Tax 0% NPV	\$M	\$1,093	\$1,775	\$3,013
Pre-Tax 5% NPV	\$M	\$557	\$992	\$1,782
Pre-Tax 8% NPV	\$M	\$360	\$702	\$1,325
Pre-Tax IRR	%	18.9%	27.2%	40.1%
Payback Period	Years	3.58	2.42	1.37
After-Tax 0% NPV	\$M	\$791	\$1,268	\$2,135
After-Tax 5% NPV	\$M	\$384	<b>\$691</b>	\$1,246
After-Tax 8% NPV	\$M	\$233	\$476	\$914
After-Tax IRR	%	16.1%	<b>23.1%</b>	33.8%
Payback Period	Years	3.66	2.63	1.57
EBTIDA 2017	\$M	\$235	\$285	\$379
Maximum Yearly EBTIDA	\$M	\$235	\$285	\$385
Total Initial Capital	\$M		\$501	
<b>Total Initial Capital (Net of Pre-Prod Margin)</b>	<b>\$M</b>		<b>\$464</b>	
Process Capacity Expansion (Year 4)	\$M		\$50	
Remaining Sustaining Capital (incl Closure)	\$M		\$270	
<b>Total Capital</b>	<b>\$M</b>		\$821	
<b>Mine Life</b>	<b>Years</b>		<b>16</b>	

<sup>4</sup> The 4 year trailing average metals price effective on March 31, 2013, is \$1403/oz. gold and \$3.47/lb. copper

## Production Schedule

More accurate resource and geologic models produced over the course of 2011/2012 during the pre-feasibility definition drilling campaigns identified two geographically distinct populations of gold bearing saprolite and fresh rock ores, distinguishable by their copper sulphide contents, ore with recoverable copper being defined as “Au/Cu Ore” and without recoverable copper content as “Au Ore”. The mine plan and production schedule defined in the PFS were optimized for higher metallurgical recovery by processing these ores separately in different circuits as they are mined from the Toroparu and SE pits.

The PFS is based on mining 127 million tonnes of saprolite and fresh rock ores containing 4.107 million ounces of gold at an average grade of 1.00 g/t Au over a two year pre-production period and 16 year mine life (Table 2). The mine plan includes:

- 5 million tonnes of saprolite Au Ore containing 148,000 ounces of gold at an average grade of 0.91 g/t Au that will be processed via conventional cyanide leach;
- 52 million tonnes of fresh rock Au/Cu Ore containing 1,953,000 ounces of gold with an average grade of 1.17g/t Au and 0.18% Cu that will be processed via flotation concentration; and
- 70 million tonnes of fresh rock Au Ore containing 2,006,000 ounces of gold with an average grade of 0.89 g/t Au and 0.05% Cu that will also be processed via cyanide leach.

Processing facilities will be developed in three phases (Table 2):

- Phase 1 is designed to process 1.18 million tonnes per annum (Mtpa), or 3,250 tonnes per day (tpd) of saprolite Au Ore during the pre-production period
- Phase 2 is designed to process 5.475 Mtpa (15,000 tpd) of fresh rock Au/Cu Ore via flotation concentration, and a combination of 1,500 tpd of saprolite Au Ore and fresh rock Au/Cu Ore flotation tailings over the first 3 years of production.
- Phase 3 is designed to treat 5.745 Mtpa (15,000 tpd) of fresh rock Au Ore, saprolite Au Ore and flotation tailings via cyanide leach and 2.738 Mtpa (7,500 tpd) of Au/Cu Ore via flotation concentrate starting in the 4<sup>th</sup> year of production and continuing for the balance of the mine life.

**Table 2: Production Schedule<sup>5</sup>**

Dev Phase	Years	Saprolite Au Ore			Fresh Au/Cu Ore			Fresh Au Ore			All Ore Types			
		Ore Processed (ktpy)	Milli Au Grade (g/t)	Gold Contained (kozpy)	Ore Processed (ktpy)	Milli Au Grade (g/t)	Gold Contained (kozpy)	Ore Processed (ktpy)	Milli Au Grade (g/t)	Gold Contained (kozpy)	Ore Processed (ktpy)	Milli Au Grade (g/t)	Gold Contained (kozpy)	Gold Produced (kozpy)
1	PY-2	1,186	1.25	48	0	0.00	0	0	0.00	0	1,186	1.25	48	47
	PY-1	1,186	0.95	36	0	0.00	0	0	0.00	0	1,186	0.95	36	36
2	Year 1	548	0.74	13	5,475	1.74	306	0	0.00	0	6,023	1.65	319	275
	Year 2	548	0.61	11	5,475	1.34	236	0	0.00	0	6,023	1.27	246	212
	Year 3	517	0.65	11	5,475	1.24	218	0	0.00	0	5,992	1.19	228	197
3	Year 4	64	1.89	4	2,738	0.98	87	5,475	1.32	232	8,276	1.21	322	300
	Year 5	64	1.54	3	2,738	1.63	143	5,475	0.78	138	8,276	1.07	285	258
	Year 6	64	1.85	4	2,738	1.01	89	5,475	0.77	135	8,276	0.86	228	209
	Year 7	64	0.92	2	2,738	1.63	143	5,475	0.77	136	8,276	1.06	281	255
	Year 8	64	1.48	3	2,738	1.73	153	5,475	1.31	231	8,276	1.45	387	354
	Year 9	64	0.76	2	2,738	0.80	70	5,475	0.71	125	8,276	0.74	197	181
	Year 10	64	0.77	2	2,738	1.03	91	5,475	1.13	199	8,276	1.10	292	270
	Year 11	64	0.80	2	2,738	1.32	116	5,475	1.39	244	8,276	1.36	362	335
	Year 12	64	0.76	2	2,738	0.51	45	5,475	0.78	137	8,276	0.69	184	171
	Year 13	64	0.48	1	2,738	0.98	86	5,475	0.66	115	8,276	0.76	203	185
	Year 14	64	0.48	1	2,738	0.99	87	5,475	0.89	157	8,276	0.92	245	226
	Year 15	64	0.48	1	2,738	0.49	43	5,475	0.48	85	8,276	0.49	129	119
	Year 16	271	0.48	4	2,505	0.49	40	4,609	0.48	71	7,385	0.49	115	106
<b>Totals</b>		<b>5,022</b>	<b>0.91</b>	<b>148</b>	<b>51,780</b>	<b>1.17</b>	<b>1,953</b>	<b>70,309</b>	<b>0.89</b>	<b>2,006</b>	<b>127,111</b>	<b>1.00</b>	<b>4,107</b>	<b>3,735</b>

<sup>5</sup> Au = gold, Cu = copper, “ktpy” = thousand metric tonnes pper year, “g/t” = gram per metric tonne, “kozpy” = thousand ounces per year, “PY-#” = pre-production year. Ore processed are rounded to the nearest one thousand tonnes, Contained Gold to nearest 1000 oz Au, gold grade to nearest 0.01g/t Au

Total gold recovered from the redesigned flowsheet includes 2.914 million ounces of gold in doré bars and 820 thousand ounces in concentrate for a total of 3.735 million recovered ounces. Average annual gold production is 228,000 ounces over the 16 year mine life. Peak production is 354,000 ounces in the 8<sup>th</sup> year of production.

By-product copper will be produced at an average rate of 25.7 million pounds per year at a grade of 0.23% Cu over the first three years of production (in Phase 2). This copper will be contained in 55,000 metric tonnes of copper concentrates per year on average over this period. The concentrates will be shipped to an offshore smelter for refining. PFS metallurgical test work resulted in copper concentrates produced from lock-cycle tests with indicative grades of 21% copper, 62 g/t gold, and 180 g/t silver<sup>6</sup>. Annual by-product copper production is 8.8 million pounds per year during Phase 3, resulting in a life of mine average of 12.0 million pounds per year.

### Development Schedule & Capital Costs

The PFS stages the construction of the process facility over a three-year period from anticipated commencement in 2014, subject to financing (Table 3). The first year of construction incorporates the Phase 1 3,250 tpd cyanide leach plant to recover gold from saprolite Au Ore. Construction of the Phase 2 flotation concentrator continues over the next two years of construction to bring the overall process design capacity to 16,500 tpd and the commencement of full scale commercial production. In the 4<sup>th</sup> year, the process is expanded to accept a throughput of 22,500 tpd of ore, with 15,000 tpd dedicated to processing Au Ore and 7,500 tpd for processing Au/Cu Ore (Phase 3).

**Table 3: Development Schedule**

Prod Year	PY-3	PY-2	PY-1	Year 1	Year 2	Year 3	Year 4	Year 5	Yr 6 - 12	Year 13	Year 14	Year 15	Year 16
<b>Capital Schedule</b>	Initial Capital (Pre-Prod)			Sustaining Capital									
<b>Construction Schedule</b>	Phase 1 Construction	Phase 2 Construction				Phase 3 Constr'n							
<b>Ore Processing Schedule</b>	Phase	Phase 1 Saprolite Au Ore	Phase 2 Fresh Rock Au/Cu Ore & Sap Au Ore	Phase 3 All Ore Types									
<b>Processing Capacity</b>	Mtpy	Pre-Production		Production									
		1.186	1.186	6.023	6.023	5.992	8.276	8.276	8.276	8.276	8.276	8.276	7.385
<b>Mining Capacity</b>	Mtpy	2.2	13	40	40	40	40	41	47 - 57	21	8.5		

The capital requirement to build Phase 1 of the Project is estimated to be \$152 million. The saprolite Au Ore processing operation is expected to provide a \$37.0 million operating margin during the pre-production period which can be used to offset Phase 2 capital costs. The capital required to build Phase 2 is an additional \$312 million (net of the contribution from saprolite Au Ore operating margin). The Phase 3 22,500 tpd expansion is scheduled for construction in year 3 of production at an estimated cost of \$50 million. It is anticipated that the operating cash flow will be sufficient to finance the cost of expansion, along with the remaining sustaining capital costs, which are estimated at \$17 million per year on average for a total of \$270 million over the 16 year mine life. Table 4 summarizes the capital expenditure estimates before and after commencement of production.

<sup>6</sup> Silver has been recovered by laboratory testwork into both flotation and leach products. The consistency of the estimated silver grade in the concentrate production over the life-of-mine is uncertain as there is insufficient silver exploration data from core to determine a silver resource or reserve and a value for silver was therefore not added to the economics of the PFS.

**Table 4: Capital Cost Estimates<sup>7</sup>**

PFS Capital Cost Estimates (million USD)	Total Initial Capital (Pre-Prod)		
		Expansion and Sustaining CapEx	LOM CapEx
Fresh Rock Pre-Stripping	\$24		\$24
Mining Equipment	\$71	\$168	\$239
Milling Circuit	\$75		\$75
Leaching Circuit	\$36		\$36
Flotation Circuit	\$24		\$24
Process Plant Infrastructure	\$6		\$6
Plant Expansion		\$50	\$50
Tailings Storage Facility	\$16	\$63	\$79
On-Site Infrastructure	\$11	\$11	\$22
Power Generation	\$27		\$27
Water Management	\$9		\$9
Camp and Ancillary Buildings	\$25		\$25
Port and Logistics	\$9		\$9
Access Road Upgrades	\$33		\$33
Construction Indirects (incl. EPCM)	\$79		\$79
Owner's Costs (Incl. Closure)	\$20	\$15	\$35
<b>Sub-Total Project Capital Costs</b>	<b>\$464</b>	<b>\$307</b>	<b>\$771</b>
Contingencies	\$37	\$13	\$50
<b>Total Capital Requirement</b>	<b>\$501</b>	<b>\$320</b>	<b>\$821</b>
Contribution from Sapolite Au Ore Margin	-\$37		-\$37
<b>Total Project Costs w/ Contingencies</b>	<b>\$464</b>	<b>\$320</b>	<b>\$784</b>

The contingency cost in the PFS is based on the total direct and/or indirect costs and are included to account for unanticipated costs within the scope of the estimate. The contingency percentage allowances vary and are individually assessed based on the accuracy of the quantity measurement, type and scope of work, and price information for the capital cost estimate.

The PFS estimate is based on the cost of new equipment supported by budget quotes from vendors which do not reflect discounts for negotiated prices, bulk purchasing, or used equipment purchases where appropriate, any of which could lead to reductions in actual capital costs relative to the prices used in the capital estimate.

## Mining

The PFS mine plan provides for the excavation of 127.1 million tonnes of ore and 468.9 million tonnes of waste for a combined total of 596.0 million tonnes of material at a life of mine stripping ratio of 3.69:1. Mining will be conducted with conventional open pit mining techniques over a 16 year mine life in two pits, the Toroparu Pit which will be mined in 13 phases, and the nearby South-East Pit (1.2 km to southeast of Toroparu), which will be mined in four phases.

Mining operations are planned to commence during the second year of construction of the Project in the center of the Toroparu pit, with mining of sapolite Au Ore to support pre-production of gold in sapolite Au Ore processing. The following year mining will be expanded to include mining and stockpiling of fresh rock ore to support the start-up of fresh rock Au/Cu Ore processing in the first year of production. Total mining during the 2 pre-production years is estimated at 15.2 million tonnes at a stripping ratio of 1.05:1. From this point, the mine plan calls for 14 years of mining out of a total 16 year production life. The first five years of mining will continue in the center of the Toroparu Pit at a rate of 40 million tonnes per year, utilizing small scale mining equipment fleet based on 50 tonne capacity haul

<sup>7</sup> Capital costs are rounded to the nearest million US dollars.

trucks at a stripping ratio of 3.29:1. Mined fresh rock Au/Cu Ore will be processed in the concentrate circuit and fresh rock Au Ore will be stockpiled for later feed into the expanded cyanide leach circuit beginning in year 4 (Phase 3). Ore loading operations will be accomplished with a fleet of hydraulic excavators (to enhance ore selectivity) and shovels, with operational flexibility provided by a wheel loader.

In the 6<sup>th</sup> year of the mine plan the annual mining rate is expected to be ramped up to an average of 50 million tonnes and the main truck fleet will be switched over to 133 tonne capacity haul trucks to support the expanded processing capacity. In year 13, the annual mining rate will reduce to 21 million tonnes. In year 14, open pit operations will be completed for the mineral reserves defined in the PFS mine plan. The processing plant will continue operating for another two years processing from low grade ore stockpiles.

## Processing

Comprehensive metallurgical programs were conducted at Inspectorate Exploration & Mining Services Ltd. of Richmond, British Columbia in 2012 on saprolite Au Ore; and at SGS Canada Inc. of Lakefield, Ontario in 2012 that tested recovery and reagent consumptions separately for the two fresh rock ore types identified as Au/Cu Ore and Au Ore. The results prompted a redesign of the PEA processing circuit to enable the separate treatment of both fresh rock ore types.

Saprolite Au Ore, part of the Au Ore type, consists of 80-85% fines (<75 micron) and therefore only 15-20% coarser fraction will require grinding. All saprolite Au Ore will be ground in a small ball mill and then treated in a cyanide leach circuit. Recovered gold will be further refined into gold doré on site. All fresh rock ore will be processed through crushing and grinding to a P<sub>80</sub> 150 micron (100 Mesh) with gravity concentration included. All fresh rock Au Ore will be treated in a cyanide leach circuit. Cyanide leach tailings will be subjected to cyanide detoxification using Air/SO<sub>2</sub> technology to reduce cyanide concentrations to Guyana and World Bank environmental standards. Fresh Au/Cu Ore will be sent to a rougher flotation circuit for copper and gold recovery. Tailings from the rougher float circuit will be discharged, and the rougher concentrate will be reground to P<sub>80</sub> 38 microns and processed through a cleaner circuit to produce a final concentrate that is shipped to an offshore smelter. First cleaner-scavenger flotation tailings will be further processed in the cyanide leach process. Cu/Au Ore concentrate analyses have been discussed with and preliminarily accepted by European and Asian based smelters.

Redesign of the processing facilities to treat ore types separately has improved overall recovery of metals and significantly increased the amount of gold produced on-site in doré bars. Metal Recoveries are illustrated in Table 5.

**Table 5: Metal Recoveries**

<b>Metal Recoveries</b>	<b>Phase 1 Pre-Prod</b>	<b>Phase 2 Prod</b>	<b>Phase 3 Exp. Prod</b>	<b>All Phases Life of Mine</b>
<b>Saprolite Au Ore Leach (Doré)</b>				
Gold Recovery	98%	98%	88%	96%
<b>Fresh Au/Cu Ore (Concentrate + Doré)</b>				
Gold Recovery		85%	85%	85%
Copper Recovery		91%	91%	91%
<b>Fresh Au Ore Cyanide Leach (Doré)</b>				
Gold Recovery			96%	96%
<b>Doré vs. Concentrate Production</b>				
Gold in Doré	100%	53%	83%	78%
Gold in Concentrate		47%	17%	22%
<b>Concentrate</b>				
Annual Concentrate Production		55k dmt	19k dmt	26k dmt
Copper Grade		21%	21%	21%
Gold Grade		60 g/t	63 g/t	62 g/t

## Operating Costs

Operating costs summarized in Table 6 are derived from first principles and vendor quotations for consumable items, including fuel and power, without incorporating potential discounts for bulk purchases or long term contract rates. Labor rates are calculated from surveys of active contracts between existing mining operations in Guyana and Guyanese labor organizations.

**Table 6: Operating Costs<sup>8</sup>**

<b>PFS Cash Cost Estimates<sup>9</sup></b>	<b>LOM Average (\$/t-mined)</b>	<b>LOM Average (\$/t-milled)</b>	<b>LOM Average (\$/oz. payable gold)</b>
Mining Cost	\$1.9	\$8.7	\$298
Processing Cost <sup>10</sup>		\$10.5	\$360
Site G&A Cost		\$1.4	\$47
Smelting, Refining, and Freight Charges		\$1.0	\$37
Royalties		\$3.5	\$119
Copper Credit		-\$4.7	-\$160
<b>Cash Cost</b>		<b>\$20.4</b>	<b>\$700</b>

## Infrastructure

The project design includes all on and off-site infrastructure installations and upgrades required to support a large mining and processing operation, including:

- Construction of a new river wharf, dry cargo, fuel storage and transportation facility/camp (Pine Tree Port Facility) at the Pine Tree port location;
- Upgrade of the Itaballi-Puruni-Papishao road;
- On-site access, service and haulage roads;
- Surface water management protections via levees, dams, diversion channels and collection ponds;
- Intermediate fuel oil (IFO) fueled electric power generation facility;
- Entry station, operations man-camp, communications facility, potable water facility, and waste management facility;
- Mine dry and administration building, fuel depot, ready line, truck maintenance shop, warehouse facility and laydown area, and explosives storage facility;
- Plant administration and control room building, laboratory, light equipment maintenance and warehousing facility; and
- Tailings Management Area (TMA) and Waste Rock Stockpile facilities.

## Mineral Reserves and Resources

The estimates of mineral resources and reserves are effective as of March 31<sup>st</sup> 2013 and are presented in Table 7. The PFS models an open pit mine with a Proven and Probable mineral reserve estimate containing 4.1 million ounces of gold and 211 million pounds of copper, which in contained gold terms represents 60% of the 6.9 million ounce (in resource-pit shell). Measured and Indicated mineral resource estimate as disclosed herein.

Measured and Indicated resources were used for conversion to Proven and Probable reserves within the optimized PFS pit designs. The mineral reserve (in-pit) cut-off grades used were 0.35 g/t-Au for saprolite

<sup>8</sup> Operating Costs are rounded to the nearest \$0.10 / metric tonne or \$1/per troy ounce of gold.

<sup>9</sup> The "all-in cash cost" (Cash Cost + Life of Mine Capital/payable ounce of gold) is \$921 per ounce of gold.

<sup>10</sup> Operating costs are based on power cost of \$0.18/kWh generated using intermediate fuel oil (IFO 180) quoted by a multi-national oil marketing firm at \$124.00/bbl for delivery CIF Pine Tree River Port, Cuyuni River, Guyana; and Gas Oil prices of \$157.00/bbl for delivery CIF Pine Tree River Port.

and 0.38 g/t-Au for Fresh Rock, which correspond to a gold price of US\$970/ounce Au for saprolite, and US\$1,070/ounce Au for Fresh Rock, respectively.

The reserves are contained within the Toroparu Pit and South-East Pit and are associated with 468.9 million tonnes of waste and a life of mine stripping ratio of 3.69:1.

**Table 7: March 31, 2013 Mineral Reserve Estimate**

Material	Reserve Classification	Tonnes (000's)	Gold (g/t)	Gold (koz.)*	Copper (%)	Copper (Mlbs.)*	AuEq (g/t)	AuEq** (koz.)*
Saprolite Au Ore	Proven	1,621	0.95	50	0.09	***	0.95	50
	Probable	3,400	0.90	98	0.10	***	0.90	98
	<b>Proven + Probable</b>	<b>5,022</b>	<b>0.91</b>	<b>148</b>	<b>0.10</b>	<b>***</b>	<b>0.91</b>	<b>148</b>
Fresh Au Ore	Proven	13,976	0.93	419	0.05	***	0.93	419
	Probable	56,333	0.88	1,587	0.05	***	0.88	1,587
	<b>Proven + Probable</b>	<b>70,309</b>	<b>0.89</b>	<b>2,006</b>	<b>0.05</b>	<b>***</b>	<b>0.89</b>	<b>2,006</b>
Fresh Au/Cu Ore	Proven	14,183	1.27	581	0.20	64	1.62	740
	Probable	37,597	1.14	1,373	0.18	147	1.44	1,740
	<b>Proven + Probable</b>	<b>51,780</b>	<b>1.17</b>	<b>1,953</b>	<b>0.18</b>	<b>211</b>	<b>1.49</b>	<b>2,480</b>
All Ore Types	Proven	29,780	1.10	1,049	0.13	64	1.26	1,209
	Probable	97,331	0.98	3,058	0.10	147	1.09	3,425
	<b>Proven + Probable</b>	<b>127,111</b>	<b>1.00</b>	<b>4,107</b>	<b>0.11</b>	<b>211</b>	<b>1.13</b>	<b>4,634</b>

**Notes on Reserve Estimate;**

1. Mineral reserves are inclusive of mineral resources;
2. Mineral reserves are based on a gold cut-off-grade (CoG) price of US\$1,070/oz. for Fresh Rock and US\$970/oz. for saprolite. Cash flow Base Case used a gold price of US\$1,400/oz. and copper price of \$3.25/lb.;
3. Open pit reserves assume complete mine recovery;
4. Open pit reserves are diluted (further to dilution inherent in the resource model and assumes selective mining unit of 5 m x 5 m x 5 m);
5. \* Contained In-situ gold ounces do not include metallurgical recoveries of 96% for gold in saprolite (Oxide), 85% for gold in Au/Cu Fresh Rock, 91% for copper in Au/Cu Fresh Rock, and 96% for gold in Au Fresh Rock;
6. \*\* AuEq= Gold Equivalent ounce calculated using US\$1,403/oz. Au (\$1,394/oz. after refining), US\$3.47/lb. Cu (\$3.17/lb. after NSR deductions), 85.46% gold recovery, 91% copper recovery, Formula 1% Cu = 1.714 g/t-Au);
7. \*\*\* No copper will be recovered from this ore type (and thus the Gold Equivalent Grade = Gold Grade);
8. Waste tonnes within pit is 468.9 Mt at a strip ratio of 3.69:1 (waste to ore);
9. An open pit CoG of 0.35 g/t-Au saprolite and 0.38 g/t-Au fresh rock was applied to open pit resources constrained by the final pit design;
10. Mineral reserve tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding;
11. "(000)" = thousands, "g/t" = gram per metric tonne, "koz" = thousand troy ounces. Ore tonnes are rounded to the nearest one thousand tonnes, Gold to nearest 1000 oz Au, gold grade to nearest 0.01 g/t Au, Copper rounded to nearest million pounds.
12. The mineral reserve estimate for the Project was calculated by Fernando P. Rodrigues, BSc, MBA MMSAQP #01405QP of SRK Consulting, Inc. in accordance with the Canadian Securities Administrators National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and generally accepted Canadian Institute of Mining, Metallurgical and Petroleum "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines ("CIM Guidelines"); and
13. Reserves Effective Date: March 31, 2013.

The resource estimate for the Toroparu and South-East Deposits is reported within a Resource Pit Shell, based on an optimized pit shape developed for the purposes of reporting the resources are presented in Table 8.

**Table 8: March 31, 2013 Mineral Resource Estimate within Resource Pit Shell, Cut-Off Grade 0.30 g/t Au**

<b>Toroparu Deposit</b>					
<b>Resource Classification</b> <i>(All rock types)</i>	<b>Tonnes</b> <b>(000's)</b>	<b>Au</b> <b>(g/t)</b>	<b>Au oz.</b> <b>(000's)</b>	<b>Cu</b> <b>%</b>	<b>Cu</b> <b>(M lb.)</b>
Measured	41,542	0.98	1,307	0.109	100
Indicated	185,957	0.87	5,203	0.082	334
<b>Measured &amp; Indicated</b>	<b>227,500</b>	<b>0.89</b>	<b>6,510</b>	<b>0.087</b>	<b>434</b>
Inferred	127,756	0.74	3,045	0.042	118
<b>South East Deposit</b>					
<b>Resource Classification</b> <i>(All rock types)</i>	<b>Tonnes</b> <b>(000's)</b>	<b>Au</b> <b>(g/t)</b>	<b>Au oz.</b> <b>(000's)</b>	<b>Cu</b> <b>%</b>	<b>Cu</b> <b>(M lb.)</b>
Measured	2,905	0.97	91	0.037	2
Indicated	9,836	0.93	294	0.035	8
<b>Measured &amp; Indicated</b>	<b>12,741</b>	<b>0.94</b>	<b>384</b>	<b>0.036</b>	<b>10</b>
Inferred	1,768	0.78	45	0.041	2
<b>All Deposits</b>					
<b>Resource Classification</b> <i>(All rock types)</i>	<b>Tonnes</b> <b>(000's)</b>	<b>Au</b> <b>(g/t)</b>	<b>Au oz.</b> <b>(000's)</b>	<b>Cu</b> <b>%</b>	<b>Cu</b> <b>(M lb.)</b>
Measured	44,447	0.98	1,398	0.104	102
Indicated	195,793	0.87	5,497	0.079	342
<b>Measured &amp; Indicated</b>	<b>240,240</b>	<b>0.89</b>	<b>6,894</b>	<b>0.084</b>	<b>444</b>
Inferred	129,525	0.74	3,090	0.042	120

**Notes on Resource Estimate;**

1. All resources in the revised mineral resource statement are In-Pit resources reported within an optimized pit shell (Resource Pit Shell) above an economic cut-off grade of 0.30 g/t Au. The economic cut-off grade was determined using a gold price of \$1,350/oz. Au, an average metallurgical recovery of 95.9% for gold, processing and G&A costs of \$11.49/t processed, and includes \$112/oz. Au for freight, smelting, refining and royalties. Copper metallurgical recovery used was 91%. Pit slopes used in the pit optimization were 45 degrees, and the mining costs used were \$2.06/t mined for fresh rock.
2. Mineral resources are reported in accordance with NI 43-101 and have been estimated in conformity with generally accepted CIM Guidelines;
3. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves estimate;
4. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding;
5. While the estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, the Company is not aware of any such issues;
6. 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; and
7. Bulk densities of 2.76 t/m<sup>3</sup> and 1.84 t/m<sup>3</sup> were used respectively for Fresh Rock and saprolite tonnage calculations.
8. "(000)" = thousands, "g/t" = gram per metric tonne, ""koz" = thousand troy ounces. Ore tonnes are rounded to the nearest one thousand tonnes, Gold to nearest 1000 oz. Au, gold grade to nearest 0.01 g/t Au, Copper rounded to nearest million pounds.

Table 9 shows the combined Measured and Indicated resource estimate sensitivity by cut-off grade (for combined Toroparu and South-East Deposits). The resources are reported at different cut-off grades (corresponding to different gold prices as shown) within the same Resource Pit Shell.

**Table 9: March 31, 2013 Mineral Resource Estimate M&I Sensitivity Analysis, within Resource Pit Shell**

<i>All Deposits</i>						
<b>Gold Price</b> <i>(US\$/oz.- Au)</i>	<b>Cut-Off Grade</b> <i>(g/t All Rock Types)</i>	<b>Tonnes</b> <b>(000's)</b>	<b>Au</b> <b>(g/t)</b>	<b>Au oz.</b> <b>(000's)</b>	<b>Cu</b> <b>%</b>	<b>Cu</b> <b>(M lb.)</b>
\$2,030	0.20	272,406	0.82	7,156	0.079	475
\$1,850	0.22	267,297	0.83	7,122	0.080	471
\$1,690	0.24	261,285	0.84	7,077	0.081	465
\$1,560	0.26	254,732	0.86	7,025	0.082	459
\$1,450	0.28	247,619	0.87	6,963	0.083	452
<b>\$1,350</b>	<b>0.30</b>	<b>240,240</b>	<b>0.89</b>	<b>6,894</b>	<b>0.084</b>	<b>444</b>
\$1,270	0.32	232,357	0.91	6,816	0.085	436
\$1,195	0.34	224,300	0.93	6,730	0.086	427
\$1,130	0.36	216,230	0.96	6,639	0.088	418
\$1,070	0.38	208,419	0.98	6,546	0.089	408
\$1,005	0.40	200,728	1.00	6,450	0.090	399
\$910	0.42	193,124	1.02	6,350	0.091	389
\$870	0.44	185,940	1.05	6,250	0.093	380
\$830	0.46	178,742	1.07	6,146	0.094	370
\$795	0.48	171,656	1.09	6,039	0.095	360
\$765	0.50	165,166	1.12	5,937	0.096	351

Table 10 shows the Inferred resource estimate sensitivity by cut-off grade (for combined Toroparu and South-East Deposits). The resources are reported at different cut-off grades (corresponding to different gold prices as shown) within the same Resource Pit Shell.

**Table 10: March 31, 2013 Mineral Resource Estimate Inferred Sensitivity Analysis, within Resource Pit Shell**

<i>All Deposits</i>						
<b>Gold Price</b> <i>(US\$/oz.- Au)</i>	<b>Cut-Off Grade</b> <i>(g/t All Rock Types)</i>	<b>Tonnes</b> <b>(000's)</b>	<b>Au</b> <b>(g/t)</b>	<b>Au oz.</b> <b>(000's)</b>	<b>Cu</b> <b>%</b>	<b>Cu</b> <b>(M lb.)</b>
\$2,030	0.20	153,557	0.67	3,286	0.040	134
\$1,850	0.22	149,863	0.68	3,261	0.040	132
\$1,690	0.24	145,333	0.69	3,228	0.040	130
\$1,560	0.26	140,402	0.71	3,188	0.041	127
\$1,450	0.28	135,159	0.72	3,143	0.041	123
<b>\$1,350</b>	<b>0.30</b>	<b>129,525</b>	<b>0.74</b>	<b>3,090</b>	<b>0.042</b>	<b>120</b>
\$1,270	0.32	123,446	0.76	3,029	0.043	116
\$1,195	0.34	117,339	0.79	2,965	0.043	112
\$1,130	0.36	111,476	0.81	2,899	0.044	107
\$1,070	0.38	105,603	0.83	2,829	0.044	103
\$1,005	0.40	99,712	0.86	2,755	0.045	98
\$910	0.42	94,100	0.89	2,681	0.045	94
\$870	0.44	88,466	0.92	2,603	0.046	90
\$830	0.46	83,275	0.94	2,528	0.047	86
\$795	0.48	78,350	0.97	2,454	0.047	82
\$765	0.50	74,007	1.00	2,385	0.048	78

The resources were modeled and estimated by evaluating the drill data statistically and utilizing a 3-D mineralized grade shell to constrain the estimate. Gold grades were estimated by kriging into a block model with 10 meter (width) x 10 meter (length) x 5 meter (height) blocks that were constrained to mineral domains using Datamine Studio3 mining software. The person responsible for the resource estimate on behalf of SRK Consulting (U.S.) Inc. is Frank Daviess, Registered Member SME, a Qualified Person as defined by National Instrument 43-101. Further details of the estimation procedure will be available in an updated NI 43-101 report, which will be posted on SEDAR <http://www.sedar.com>, no later than 45 days from the date of this release.

### Upside Potential to Pre-Feasibility Study

Table 11 shows the estimate of combined Measured and Indicated resources (within a resource pit shell) as issued in this Mineral Resource Estimate, but which were not included within the pre-feasibility engineering mine designs (and mine production schedule). The estimates shown are for selected cut-off grades (corresponding to different gold prices as shown) for combined Measured and Indicated resources for the Toroparu and South-East Deposits. (The PFS Mineral Reserves were estimated using a 0.38 g/t gold cut-off grade.)

**Table 11: March 31, 2013 Mineral Resource Estimate, M&I, Not Within PFS Mine Designs**

<i>All Deposits</i>						
<i>Gold Price</i> (US\$/oz.- Au)	<i>Cut-Off Grade</i> (g/t All Rock Types)	<i>Tonnes</i> (000's)	<i>Au</i> (g/t)	<i>Au oz.</i> (000's)	<i>Cu</i> %	<i>Cu</i> (M lb.)
<b>\$1,350</b>	<b>0.30</b>	<b>90,243</b>	<b>0.83</b>	<b>2,419</b>	<b>0.056</b>	<b>112</b>
\$1,070	0.38	75,228	0.93	2,255	0.059	99

Table 12 shows the estimate of Inferred resources (within a resource pit shell as issued in this statement), but which were not included within the pre-feasibility mine design. The estimates shown are for selected cut-off grades (corresponding to different gold prices as shown) for Inferred resources for the Main and South-East Deposits.

**Table 12: March 31, 2013 Mineral Resource Estimate, Inferred, Not Within PFS Mine Designs**

<i>All Deposits</i>						
<i>Gold Price</i> (US\$/oz.- Au)	<i>Cut-Off Grade</i> (g/t All Rock Types)	<i>Tonnes</i> (000's)	<i>Au</i> (g/t)	<i>Au oz.</i> (000's)	<i>Cu</i> %	<i>Cu</i> (M lb.)
<b>\$1,350</b>	<b>0.30</b>	<b>124,339</b>	<b>0.74</b>	<b>2,967</b>	<b>0.041</b>	<b>111</b>
\$1,070	0.38	101,240	0.83	2,715	0.043	95

There is potential for the addition of an extra pit design phase to the Toroparu Deposit PFS pit design, based on the Measured and Indicated resources, which were estimated but not included within the PFS pit design.

Thus, there is potential to increase the life-of-mine with the addition of an extra pit design phase, and extend the total number of years of mineral processing. Sandspring will pursue further evaluation of this option in ongoing technical studies for the Project.

### Permitting and Licensing

In May 2012, Sandspring achieved a major milestone by obtaining its permit from the Guyana EPA to begin construction. Under the terms of the Company's mineral development agreement, the

Government of Guyana has also agreed to grant a large-scale mining license authorizing Sandspring to commence production once the economic feasibility of the project has been demonstrated.

### **Conference Call**

The Company will host a presentation and conference call for the results of Pre-Feasibility Study on April 10, 2013 at 11:00 AM Eastern Daylight Time. The following link provides participants access to the live and/or archived event.

<http://event.onlineseminarsolutions.com/r.htm?e=606564&s=1&k=7831AFAB32D30DA90BA5B45A27B5B664>

### **Qualified Persons**

The technical report, titled “NI 43-101 Technical Report, Toroparu Gold Project, Upper Puruni River Area, Guyana” will be filed on SEDAR within 45 days of the date of this press release.

The scientific and technical data contained in this news release pertaining to the Project has been reviewed and approved by the following Qualified Persons under NI 43-101 who consent to the inclusion of their names in this release: Frank Daviess, MAusIMM, Registered Member SME (Resource Estimation - SRK Consulting (US) Inc.); Fernando P. Rodrigues, MMSA, #1405QP (Mining/Reserves Estimation - SRK Consulting (US) Inc.); Peter I. Clarke, P.Eng., #13473 - British Columbia (Mining/Economics - SRK Consulting (US) Inc.); D. Erik Spiller, MMSA, #01021QP (Metallurgical Process Design—Tetra Tech); Thomas A. Chapel, CPG, PE, # 33848 - Colorado (On-site Infrastructure—Tetra Tech); Daniel Lloyd Evans, CFM, P.E., #32081 – Colorado (Water Management – Tetra Tech); each of whom is independent of the Company.

### **About Sandspring**

Sandspring Resources Ltd. is a Canadian junior mining company currently in advanced exploration and moving toward a definitive feasibility study for the multi-million ounce Toroparu Deposit in the Republic of Guyana. Visit Sandspring’s website at [www.sandspringresources.com](http://www.sandspringresources.com).

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

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*Additional information on Sandspring can be viewed on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com) or on Sandspring's website at [www.sandspringresources.com](http://www.sandspringresources.com).*

*This press release includes certain forward-looking statements concerning future performance and operations of the Company, including the expected positive results from the Toroparu Project based on the estimates and findings contained in the PFS, as summarized herein, as well as management's objectives, strategies, beliefs and intentions. Forward-looking statements are frequently identified by such words as "may", "will", "plan", "expect", "anticipate", "estimate", "intend" and similar words referring to future events and results. Forward-looking statements are based on the current opinions and expectations of management at the time such statements are made. All forward-looking statements and information is inherently uncertain and subject to a variety of assumptions, risks and uncertainties, including the speculative nature of mineral exploration and development, fluctuating commodity prices, changes in project parameters as plans continue to be refined, uncertainties of project cost overruns or unanticipated costs and expenses, uncertainties inherent in conducting operations in a foreign country, uncertainties related to the availability and costs of financing needed in the future, the risk that the conclusion of pre-production studies may not be accurate, the Company's successful advancement of the Toroparu Project toward feasibility and obtaining positive results from ongoing evaluation and testing of multiple gold targets*

*located elsewhere in the Company's landholdings, among other risks as described in our public filings available at [www.sedar.com](http://www.sedar.com). Actual events or results may differ materially from those projected in the forward-looking statements and we caution against placing undue reliance thereon. Sandspring Resources Ltd. has an ongoing obligation to disclose material information, as it becomes available.*

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Source: Sandspring Resources Ltd.