Sandspring Resources Ltd.

Condensed Consolidated Interim Financial Statements
(Unaudited)
Expressed in Canadian Dollars
Three and Nine Months Ended September 30, 2015 and 2014

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited)

(Expressed in Canadian Dollars)

As at		**9/30/2015**	12/31/2014
ASSETS	**Notes**	**$**	$
Current			
Cash		**4,252,765**	294,747
Restricted cash	5	**197,823**	145,967
Prepaid expenses		**131,736**	138,406
		4,582,324	579,120
Equipment	8	**363,074**	845,731
Mineral properties under exploration	9	**25,061,071**	25,061,071
		30,006,469	26,485,922
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**1,024,379**	1,015,939
		1,024,379	1,015,939
Non-current liabilities			
Deferred property obligation	9	**805,762**	610,778
Deferred management compensation	10	**966,336**	255,024
Deferred revenue	11	**16,360,350**	14,358,600
		18,132,448	15,224,402
SHAREHOLDERS' EQUITY			
Common Shares	12	**123,835,657**	118,204,900
Warrant Reserve	13	**1,225,955**	946,993
Contributed Surplus		**5,460,025**	3,058,659
Stock Option Reserve	14	**4,581,777**	6,885,709
Deficit		**(124,253,772)**	(118,850,680)
		10,849,642	10,245,581
		30,006,469	26,485,922

Going Concern - Note 1

Commitments - Note 18

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

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

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

		(Note 9)		(Note 9)	
		Three Months Ended September 30,		**Nine Months Ended September 30,**	
		2015	2014	**2015**	2014
	Notes	**$**	$	**$**	**$**
Expenditures					
Administrative		**90,929**	102,907	**261,431**	364,801
Consulting		**113,140**	2,619,588	**247,163**	7,117,222
Depreciation	8	**169,059**	198,320	**525,839**	611,148
Foreign exchange loss (gain)		**194,769**	(28,136)	**255,143**	(396,544)
Operations		**557,552**	242,100	**1,433,023**	2,230,957
Other		**4,763**	2,972	**24,166**	23,084
Professional fees		**213,181**	65,737	**442,278**	306,399
Salaries and other employee benefits		**532,733**	864,101	**2,013,637**	3,170,280
Shareholder information		**49,009**	23,949	**94,437**	160,542
Stock based compensation		**-**	13,887	**3,371**	61,996
Transfer, listing and filing fees		**12,396**	(4,603)	**54,216**	43,196
Travel		**87,939**	99,557	**226,375**	529,766
		2,025,470	4,200,379	**5,581,079**	14,222,847
Other					
Interest income		**8**	417	**300**	4,582
Write-down of amounts payable		**194,676**	-	**194,676**	-
Forgiveness of debt		**-**	429,511	**-**	429,511
Interest expense		**16,989**	-	**16,989**	-
		177,695	429,928	**177,987**	434,093
Net loss and comprehensive loss for the period		**(1,847,775)**	(3,770,451)	**(5,403,092)**	(13,788,754)
Loss per share	15				
Basic		**(0.02)**	(0.09)	**(0.07)**	(0.31)
Diluted		**(0.02)**	(0.09)	**(0.07)**	(0.31)
Weighted average number of shares outstanding					
Basic		**82,594,545**	44,119,535	**82,594,545**	44,119,535
Diluted		**82,594,545**	44,119,535	**82,594,545**	44,119,535

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

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

(Expressed in Canadian Dollars)

Nine Months Ended September 30, 2014	Common Shares	Contributed Surplus	Warrant Reserve	Shares Purchased not yet issued	Stock Option Reserve	*(Note 9)* Deficit	Total
	$	$	$	$	$	$	$
Balance, December 31, 2013	**117,099,645**	**2,208,490**	**-**	**-**	**7,671,317**	**(102,663,345)**	**24,316,107**
Stock based compensation	-	-	-	-	61,996	-	61,996
Stock options expired	-	22,295	-	-	(22,295)	-	-
Shares and warrants purchased, not yet issued	-	-	-	1,831,815	-	-	1,831,815
Net loss for the period	-	-	-	-	-	(13,788,754)	(13,788,754)
Balance, September 30, 2014	**117,099,645**	**2,230,785**	**-**	**1,831,815**	**7,711,018**	**(116,452,099)**	**12,421,164**

Nine Months Ended September 30, 2015	Common Shares	Contributed Surplus	Warrant Reserve	Shares Purchased not yet issued	Stock Option Reserve	Deficit	Total
	$	$	$	$	$	$	$
Balance, December 31, 2014	**118,204,900**	**3,058,659**	**946,993**	**-**	**6,885,709**	**(118,850,680)**	**10,245,581**
Stock based compensation	-	-	-	-	3,371	-	3,371
Shares issued on private placement	161,848	-	-	-	-	-	161,848
Share issue cost from private placement	(7,501)	-	-	-	-	-	(7,501)
Shares issued on exercise of options	11,664	-	-	-	(414)	-	11,250
Shares issued on acquisition - Notes 4, 12	5,464,746	-	-	-	-	-	5,464,746
Warrants issued on acquisition - Notes 4, 13	-	-	278,962	-	-	-	278,962
Stock options issued on acquisition - Notes 4, 14	-	-	-	-	94,477	-	94,477
Stock options expired	-	2,401,366	-	-	(2,401,366)	-	-
Net loss for the period	-	-	-	-	-	(5,403,092)	(5,403,092)
Balance, September 30, 2015	**123,835,657**	**5,460,025**	**1,225,955**	**-**	**4,581,777**	**(124,253,772)**	**10,849,642**

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

SANDSPRING RESOURCES LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Unaudited)

(Expressed in Canadian Dollars)

			(Note 9)
		Nine Months Ended 9/30/2015	Nine Months Ended 9/30/2014
Cash (used in) provided by:	**Notes**	**$**	$
Operating Activities			
Net loss for the period		**(5,403,092)**	(13,788,754)
Adjustments for:			
Depreciation		**525,839**	611,148
Stock-based compensation		**3,371**	61,996
Accretion of deferred property obligation	9	**194,984**	70,752
Deferred management compensation	10	**711,312**	-
Change in non-cash working capital:			
Prepaid expenses		**20,967**	(299,539)
Accounts payable		**(17,829)**	(227,110)
Deferred revenue	11	**2,001,750**	-
		(1,962,698)	(13,571,507)
Investing Activities			
Restricted cash		**(51,856)**	(7,096)
Deposit on sale of mineral interest	9	**624,500**	-
Refund on sale of mineral interest deposit	9	**(624,500)**	-
Cash acquired on acquisition of PNO	4	**5,850,157**	-
Purchase of equipment	8	**(43,182)**	(20,124)
		5,755,119	(27,220)
Financing Activities			
Proceeds from private placement, net of issuance costs	12	**154,347**	1,831,815
Proceeds from exercise of stock options		**11,250**	-
		165,597	1,831,815
Cash beginning of period		**294,747**	14,327,094
Change in cash		**3,958,018**	(11,766,912)
Cash end of period		**4,252,765**	2,560,182

Supplementary cash flow information - Note 19

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

1. Corporate Information and Going Concern

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

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2015, the Company had working capital of $3,557,945 (December 31, 2014 – $436,819 deficit) and an accumulated deficit of $124,253,772 (December 31, 2014 - $118,850,680), incurred losses in the nine months ended September 30, 2015 amounting to $5,403,092 (nine months ended September 30, 2014 - $13,788,754) and had negative cash flows from operating activities in the nine months ended September 30, 2015 of $1,962,698 (nine months ended September 30, 2014 - $13,571,507).

On April 22, 2015, the Company amended its precious metals purchase agreement (the "Gold Purchase Agreement") with Silver Wheaton (Caymans Ltd. ("Silver Wheaton") to include a silver stream under which Silver Wheaton will pay Sandspring incremental up-front cash payments totaling US$5.0 million for 50% of the payable silver production from the Company's Toroparu Project in Upper Puruni, Guyana (the "Toroparu Project"). In addition, Silver Wheaton will make ongoing payments to Sandspring of the lesser of the market price and $3.90 per payable ounce of silver delivered to Silver Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting on the fourth anniversary of production. Sandspring is entitled to receive US$2.0 million of the incremental US$5.0 million cash payment in four equal installments over the course of 2015, subject to the satisfaction of certain conditions. During the period ended September 30, 2015, the Company received the first three payments associated with the silver streaming portion of the Gold Purchase Agreement, totaling US$1.5 million.

Under the terms of the Gold Purchase Agreement, the Company is required to complete a final feasibility study for its Toroparu Project before December 31, 2016, upon receipt of which Silver Wheaton can elect to proceed and pay the balance of the US$135 million owed to finance construction of the Toroparu Project, or can elect to terminate the Gold Purchase Agreement. The Company's ability to finance activities after completion of the feasibility study is dependent on whether Silver Wheaton elects to proceed, as well as on the Company's ability to raise additional equity financing to fund ongoing activities, including the portion of project construction not financed by Silver Wheaton. There are no assurances that Silver Wheaton will elect to fund construction of the Toroparu Project, or that the Company will be successful in raising equity financing at all, or if available, on terms acceptable to the Company.

These conditions indicate the existence of material uncertainties that may cast significant doubt regarding the applicability of the going concern assumption. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of Presentation

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

Except as disclosed below, the significant accounting policies have not changed from the significant accounting policies presented in the audited consolidated financial statements for the year ended December 31, 2014.

Basis of Consolidation

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

3. Significant Accounting Policies

Except as disclosed below, the significant accounting policies have not changed from the significant accounting policies presented in the audited consolidated financial statements for the year ended December 31, 2014.

Future accounting changes

IFRS 9 *Financial Instruments*

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 - *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. In July 2014, the IASB issued the final version of IFRS 9 with a mandatory effective date for annual periods beginning on or after January 1, 2018. The Company does not intend to early adopt IFRS 9 in its financial statements for the annual period beginning January 1, 2015 but will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements based on the characteristics of its financial instruments up to the date of adoption.

IFRS 15 *Revenue*

Revenue from contracts with customers ("IFRS 15") proposes to replace IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue at either a point in time or over time. The model features a five-step analysis of transactions to determine when and how much revenue should be recognized. New estimates and six judgmental thresholds were introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is applicable for annual reporting beginning on or after January 1, 2018, at which time the Company intends to adopt the standard. The Company will continue to monitor and evaluate the impact of any required changes to its consolidated financial statements up to the date of adoption.

4. Acquisition of PNO Resources Ltd.

On September 14, 2015, the Company closed the acquisition of PNO Resources Ltd. ("PNO") by way of a court approved plan of arrangement whereby all of the issued and outstanding common shares of PNO were acquired by the Company in consideration of the issuance of 34,283,292 common shares of the Company. Also in connection with the acquisition, all outstanding stock options and warrants of PNO were exchanged for stock options and warrants of the Company.

The transaction has been accounted for on the basis of an acquisition of assets as PNO did not meet the definition of a business, with the consideration being limited to the net identifiable assets of PNO and the equity allocated based on the relative fair value of equity instruments issued.

(Expressed in Canadian Dollars)

The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed, recognized as of the acquisition date:

Fair value of assets acquired and liabilities assumed		
Cash & cash equivalents	$	5,850,157
Amounts receivable		13,047
Prepaid expenses		1,250
Accounts payable		(26,269)
	$	5,838,185

Fair value of equity issued		
Common shares	$	5,464,746
Option reserve		94,477
Warrant reserve		278,962
	$	5,838,185

5. Restricted Cash

Restricted cash consists of $197,823 (December 31, 2014 - $145,967) held as security for performance bonds in favor of the Guyana Geology and Mines Commission ($184,391) and the Guyana Customs and Trade Administration ($13,432).

6. Capital Management

The Company manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out the Company's defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be total shareholders' equity (managed capital) which at September 30, 2015, totaled $10,849,642 (December 31, 2014 - $10,245,581).

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

The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended September 30, 2015. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and

(Expressed in Canadian Dollars)

(ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

7. Financial Instruments

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

Credit Risk

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

Liquidity Risk and Fair Value Hierarchy

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company generates cash primarily through its financing activities. The Company has cash and restricted cash of $4,450,588 (December 31, 2014 – $440,714) to settle current liabilities of $1,024,379 (December 31, 2014 – $1,015,939). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity (Note 1). The Company is actively seeking additional sources of capital.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at September 30, 2015:

	Level 1	Level 2	Level 3	Total
Financial Instruments				
Cash	$ 4,252,765	$ -	$ -	$ 4,252,765
Restricted cash	197,823	-	-	197,823
	$ 4,450,588	$ -	$ -	$ 4,450,588

Currency Risk

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

The following table summarizes, in Canadian dollar equivalents, the Company's major foreign currency exposures as of September 30, 2015 to the US dollar. The Company's exposure to the currency risk of Guyanese dollars is not material.

Cash	$	543,435
Accounts payable and accrued liabilities		(633,739)
Total	$	(90,304)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments as at September 30, 2015 with all other variables held constant. It shows how comprehensive loss would have been affected by changes in the relevant risk variable that were reasonably possible at that date.

	Sensitivity analysis, change in USD		Increase (decrease) in net income
Decrease in Net Income	-1%	$	903
Increase in Net Income	1%	$	(903)

(Expressed in Canadian Dollars)

8. Equipment

	Camp Equipment	Heavy Equipment	Other Equipment	Vehicles	Furniture and Office Equipment	Total
Cost						
As at December 31, 2014	$ 74,861	$ 2,892,138	$ 308,408	$ 149,605	$ 311,948	$ 3,736,960
Additions	-	40,700	-	-	2,482	43,182
Disposals	-	-	-	-	-	-
As at September 30, 2015	$ 74,861	$ 2,932,838	$ 308,408	$ 149,605	$ 314,430	$ 3,780,142
Accumulated Depreciation						
As at December 31, 2014	$ 66,199	$ 2,180,444	$ 230,051	$ 120,275	$ 294,260	$ 2,891,229
Disposals	-	-	-	-	-	-
Charge for the period	6,134	446,144	44,505	18,485	10,571	525,839
As at September 30, 2015	$ 72,333	$ 2,626,588	$ 274,556	$ 138,760	$ 304,831	$ 3,417,068
Net Book Value						
As at December 31, 2014	$ 8,662	$ 711,694	$ 78,357	$ 29,330	$ 17,688	$ 845,731
As at September 30, 2015	$ 2,528	$ 306,250	$ 33,852	$ 10,845	$ 9,599	$ 363,074

9. Mineral Properties Under Exploration

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

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

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

(Expressed in Canadian Dollars)

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

During the year ended December 31, 2014, management identified that completion of the amendment to the Upper Puruni Agreement signed on November 1, 2013 resulted in a legal obligation that should have been accrued for during the year ended December 31, 2013. On the Company's audited consolidated financial statements for the years ended December 31, 2014 and 2013, the Company therefore recast comparative information as at December 31, 2013 to adjust for the immaterial impact of the $466,644 (being the discounted amount of the US$1,000,000 from the payment due date of June 30, 2018 to the date of the obligation on November 1, 2013) obligation payable to Mr. Alphonso. Additional details pertaining to this recast may be found in Note 9 of the Company's December 31, 2014 audited financial statements. The impact of the recast on the Company's comparative statement of operations was an increase in the reported net loss and comprehensive loss of $23,027 for the three months ended September 30, 2014 and $70,752 for the nine months ended September 30, 2014. There was no impact on the loss per share in the statement of operations and comprehensive loss for the nine months ended September 30, 2014 or cash provided by operating activities in the statement of cash flow for the nine months ended September 30, 2014.

The following table shows the continuity of the discounted long-term liability to Mr. Alphonso:

Balance, December 31, 2013	**$**	**466,644**
Additions:		
Accretion	$	96,947
Foreign exchange		47,187
Balance, December 31, 2014	**$**	**610,778**
Additions:		
Accretion	$	97,390
Foreign exchange		97,594
Balance, September 30, 2015	**$**	**805,762**

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

(Expressed in Canadian Dollars)

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

As at September 30, 2015, the carrying amount of the Company's interest in mineral properties is as follows:

	September 30, 2015	December 31, 2014
Toroparu	$ 25,061,071	$ 25,061,071

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

(Expressed in Canadian Dollars)

The following table sets forth a breakdown of material components of the Company's exploration expenditures for the three and nine months ended September 30, 2015 and 2014.

	Three Months Ended		Nine Months Ended	
	9/30/2015	9/30/2014	9/30/2015	9/30/2014
	$	$	$	$
Upper Puruni Exploration Costs				
Camp Expenses	444,974	52,641	848,626	1,270,672
Consulting	60,875	7,106	76,923	62,026
Depreciation	168,023	168,062	522,202	500,432
Engineering Studies	(195,213)	2,589,109	(144,322)	6,946,651
Lab Fees	-	(594)	-	250,149
Office and Administrative Costs	47,535	51,576	106,967	229,959
Salaries and Benefits	243,875	377,324	1,174,810	1,627,058
Travel and Accommodation	55,472	11,867	121,251	360,659
Production Commitment Fees	40,973	(6,558)	385,278	330,835
Prospecting Licenses	84,107	55,541	226,873	331,321
Total Exploration Costs	950,621	3,306,074	3,318,608	11,909,762

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

Guyana Ventures acquired its position in the Joint Venture in exchange for a $624,500 (US$500,000) non-refundable cash deposit. This amount is approximately equal to ETK's out-of pocket acquisition expenditures on the Godette Property to date. ETK will contribute equipment to the operations but is not obligated to provide any funding to the operation for the first two years. Thereafter, ETK and Guyana Ventures shall contribute funds necessary for operations in an amount equal to its then ownership percentage of the Joint Venture.

The Guyana Ventures transaction was cancelled and the cash deposit was refunded during the nine months ended September 30, 2015.

10. Deferred Management Compensation

At September 30, 2015, the Company has recognized $966,336 (December 31, 2014 - $255,024) pertaining to management compensation and severance amounts owed in connection with a corporate restructuring occurring in the fourth quarter of 2014. On September 30, 2015, the Company amended the deferred compensation agreements resulting in a further $711,312 being deferred, pertaining to services rendered in the first nine months of 2015. In accordance with underlying agreements, all parties have agreed to defer payment of the balances owed, subject to certain liquidity conditions of the Company and at the discretion of the compensation committee, until December 31, 2017.

11. Deposit on Gold Purchase Agreement and Deferred Revenue

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

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

On April 22, 2015, the Company amended the GPA to include a silver stream under which Silver Wheaton will pay Sandspring incremental up-front cash payments totaling US$5.0 million for 50% of the payable silver production from the Toroparu Project, bringing the total contemplated payment from Silver Wheaton to US$153.5 million. In addition, Silver Wheaton will make ongoing payments to Sandspring of the lesser of the market price and $3.90 per payable ounce of silver delivered to Silver Wheaton over the life of the Toroparu Project, subject to a 1% annual increase starting on the fourth anniversary of production. Sandspring is entitled to receive US$2.0 million of the incremental US$5.0 million cash payment in four equal installments over the course of 2015, subject to the satisfaction of certain conditions. During the period ended September 30, 2015, the Company received the first three payments associated with the silver stream portion of the Gold Purchase Agreement, totaling US$1.5 million.

(Expressed in Canadian Dollars)

12. Share Capital

On September 10, 2015, the Company's shares were consolidated on a 3:1 basis. All common share, share option, share purchase warrant, and per share amounts in these unaudited condensed interim consolidated financial statements have been retrospectively restated to present post-consolidation amounts.

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

	Number of Common Shares	Amount
Balance, December 31, 2014	47,561,885	$ 118,204,900
Issued on private placement (i)	674,368	161,848
Share issue cost	-	(7,501)
Shares issued on acquisition of PNO (Note 4)	34,283,292	5,464,746
Issued on exercise of options	75,000	11,250
Value of options exercised	-	414
Balance, September 30, 2015	82,594,545	$ 123,835,657

(i) On April 24, 2015, a promissory note to Gerald Grandey, a former director of the Company, was settled through the issuance of 674,368 common shares.

13. Warrants

As at September 30, 2015, the Company has a total of 29,284,008 warrants outstanding: 5,000,000 expiring February 27, 2016, 3,442,358 expiring October 7, 2017, and 20,841,650 expiring September 11, 2020. The following table shows the continuity of warrants during the period:

	Number of Warrants	Allocated Value	Average Value Per Warrant
Balance, December 31, 2014	3,442,358	$ 946,993	$ 0.09
Warrants issued on acquisition of PNO	25,841,650	278,962	0.01
Balance, September 30, 2015	29,284,008	$ 1,225,955	$ 0.04

14. Stock Options

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

(Expressed in Canadian Dollars)

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

	Number of Options	Allocated Value of Vested Options	Weighted Average Exercise Price
Balance, December 31, 2014	2,966,555	$ 6,885,709	$ 1.33
Value of options vested during the period	-	3,371	-
Expired	(858,916)	(2,401,366)	2.06
Exercised	(75,000)	(414)	0.01
Issued on acquisition of PNO	1,235,000	94,477	0.17
Balance, September 30, 2015	3,267,639	$ 4,581,777	$ 2.38

(Expressed in Canadian Dollars)

The following are the stock options outstanding as at September 30, 2015:

Weighted average exercise price		Outstanding	Exercisable	Weighted average remaining contractual life (years)
$	0.15	435,000	435,000	2.3
	0.18	725,000	725,000	3.6
	1.23	594,990	594,990	1.5
	1.80	336,665	336,665	0.2
	3.78	124,329	124,329	0.8
	4.14	541,661	541,661	1.2
	4.59	166,666	166,666	1.0
	7.56	23,333	23,333	0.8
	8.10	236,663	236,663	0.6
	9.30	41,666	41,666	0.3
	10.62	41,666	41,666	0.3
$	2.43	3,267,639	3,267,639	1.7

Subsequent to September 30, 2015, 50,000 stock options were granted with an exercise price of $0.20 and an expiry date of November 6, 2020 and 4,595,000 stock options were granted with an exercise price of $0.20 and an expiry date of November 6, 2025.

Subsequent to September 30, 2015, 387,658 employee stock options were re-priced to $0.20, with all other terms remaining the same.

15. Loss per Share

On September 10, 2015, the Company's shares were consolidated on a 3:1 basis. All common share, share option, share purchase warrant, and per share amounts in these unaudited condensed interim consolidated financial statements have been retrospectively restated to present post-consolidation amounts.

The calculation of basic and diluted loss per share for the three months ended September 30, 2015 was based on the loss attributable to common shareholders of $1,847,775 (September 30, 2014 - $3,770,451) and the weighted average number of common shares outstanding of 82,594,545

(Expressed in Canadian Dollars)

(September 30, 2014 – 44,119,535). Diluted loss per share did not include the effect of 32,551,647 share purchase options and warrants as they are anti-dilutive.

The calculation of basic and diluted loss per share for the nine months ended September 30, 2015 was based on the loss attributable to common shareholders of $5,403,092 (September 30, 2014 - $13,788,754) and the weighted average number of common shares outstanding of 82,594,545 (September 30, 2014 – 44,119,535). Diluted loss per share did not include the effect of 32,551,647 share purchase options and warrants as they are anti-dilutive.

16. Related Party Transactions

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

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

		9/30/2015		12/31/2014
Travel expenses reimbursed to officers and directors of the Company,	$	30,327	$	2,305
Administrative expenses reimbursed to officers and directors of the Company,		6,486		211
	$	36,813	$	2,516

b) The Company had the following related party transactions during the three months ended September 30, 2015 and 2014.

		9/30/2015		9/30/2014
Travel expenses reimbursed to officers and directors of the Company,	$	96,690	$	145,330
Administrative expenses reimbursed to officers and directors of the Company,		47,109		17,804
	$	143,799	$	163,134

During the nine months ended September 30, 2015, the Company expensed $22,500 (nine months ended September 30, 2014 - $nil) to Marrelli Support Services Inc. ("Marrelli Support") for Robert D.B. Suttie, Vice President of Marrelli Support, to act as Chief Financial Officer ("CFO"). As of September 30, 2015, Marrelli Support was owed $nil (September 30, 2014 - $nil).

(Expressed in Canadian Dollars)

The Company's Directors elected to waive fees for 2015. The nine months ended September 30, 2015 resulted in the amount of $148,669 being waived (nine months ended September 30, 2014 – $nil).

On January 29, 2015, Gerald Grandey, a director of the Company advanced US$130,000 for general working capital purposes under the terms of a promissory note bearing interest at a rate of 10% per annum. On April 24, 2015, the Company settled the promissory note though the issuance of 2,023,104 common shares.

By means of two promissory notes issued on April 9, 2015 and May 19, 2015, the Company was advanced an aggregate of US$200,000 by the Company's Chief Executive Officer ("CEO") for general working capital purposes. The promissory notes bore interest at 10% and were due on demand. These notes were paid in September 2015.

On June 18, 2015, P. Gregory Barnes, the Company's Executive Vice President advanced US$30,000 to ETK for general working capital purposes. The promissory note bore interest at 10% and was due on demand. This note was paid in July 2015.

On June 19, 2015, the Company's CEO advanced US$60,000 to ETK for general working capital purposes. The promissory note bore interest at 10% and was due on demand. This note was paid in September 2015.

17. Segmented Information

The Company primarily operates in one reportable operation segment, being the development of its property for production of gold and copper in Guyana. The Company has administrative offices in Vancouver, Canada and Centennial, U.S.A. Segmented information on a geographic basis is as follows:

December 31, 2014

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

September 30, 2015

	Canada	United States	British Virgin Islands	Guyana	Total
Current assets	$ 3,933,887	$ 281,040	$ 33,304	$ 334,093	$ 4,582,324
Non-current assets	-	8,530	-	25,415,615	25,424,145
	$ 3,933,887	$ 289,570	$ 33,304	$ 25,749,708	$ 30,006,469

18. Commitments

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

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

Under the terms of the December 2013 Silver Wheaton GPA, Silver Wheaton may purchase 10% of the gold produced from the Company's Toroparu Project in exchange for funding of US$148.5 million and 50% of the of the silver produced from the Company's Toroparu Project in exchange for funding of US$5 million, for a total contemplated from Silver Wheaton of US$153.5 million.

Subsequent to September 30, 2015, 50,000 stock options were granted with an exercise price of $0.20 and an expiry date of November 6, 2020 and 4,595,000 stock options were granted with an exercise price of $0.20 and an expiry date of November 6, 2025.

Subsequent to September 30, 2015, 387,658 employee stock options were re-priced to $0.20, with all other terms remaining the same.

19. Supplementary Cash Flow Information

On April 24, 2015, a promissory note to Gerald Grandey, a director of the Company, was settled through the issuance of 674,368 common shares.