

Sandspring Resources Ltd. Provides Update on Toroparu Project

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DENVER and VANCOUVER, Sept. 18, 2017 - [Sandspring Resources Ltd.](#) (TSX-V:SSP) (OTC:SSPXF) ("Sandspring" or the "Company") is pleased to provide an update on its Toroparu Gold Project ("Toroparu" or the "Project") in Guyana, South America.

- The saprolite resource at the Sona Hill deposit announced earlier this year provides the potential for improved economics for the Toroparu Project through an expansion of the start-up plan outlined in the project Prefeasibility Study¹

- Additional saprolite resources from exploration targets near Toroparu could further enhance the economics of an expanded start-up plan

Sandspring has drill-ready saprolite targets near Toroparu on three additional prospects within the Sona Hill area (Sona NW, Sona SSE, and Sona W) and at Wynamu Hill where Sandspring announced a 7.51 g/t Au intercept from surface to 21.5m in saprolite in Drill Hole WYD0132

- Parameters of a 2017 – 2018 exploration program to test the saprolite targets have been established and support work for this program has been initiated

On February 23, 2017, Sandspring announced a pit-constrained maiden gold only resource for its Sona Hill discovery having a total Indicated resource of 195,000 Au, and Inferred resource of 241,000 ounces of Au at a cut-off grade of 0.31 g/t Au. Notably, 50,200 ounces of the total Indicated resource and 70,400 of the total Inferred resource was contained in weathered saprolite rock from surface to an average vertical depth of ~40 meters at the 0.31 g/t cut-off grade.³

Sandspring has been working with its consultants, SRK Consulting (Denver), to develop possible changes to the mine plan presented in the Toroparu Prefeasibility study to incorporate the Sona Hill Saprolite Resource Area and revise the schedule for processing the existing saprolite resource at the main Toroparu and SE zone Proven and Probable pits.

Management believes that possible revisions to the mine plan demonstrates the potential for improvement in overall project economics through expanding the initial saprolite processing phase and deferring the construction of hard rock facilities and a significant portion of total upfront capital expenditures.

Management also believes there is potential to further enhance the improvement of project economics through the extension of known saprolite resources at Sona Hill and exploration drilling of other saprolite prospect areas in proximity to Toroparu, and has developed an exploration program to be executed during 2017 – 2018 targeting these areas which are further described below.

Prefeasibility Mine Plan Analysis

Sandspring's Prefeasibility Study estimated ~228,000 oz average gold production per annum from 4.1 Moz proven and probable gold reserves over a 16-year mine life; US\$1.25 Billion Free Cash Flow at US\$1,400/oz gold price; \$893 Million Free Cash Flow at US \$1,260/oz gold price; and a US \$501 Million pre-fresh rock production capital expense.

The Prefeasibility Study included start-up of initial production from a small scale saprolite leach plant operating while the initial hard rock mine and processing facilities were being constructed. The leach operation was projected to process ~1.2 million tons of saprolite ore per year and produce approximately 83,000 ounces of gold over a two-year period. The portion of pre-production capital expense for the saprolite leach operation was estimated at US\$152.0 Million.

The 83,000 ozs of gold contained in the process feed for the start-up saprolite leach plant in the Prefeasibility Study has potentially increased significantly with the additional saprolite resources defined at Sona Hill. Total saprolite resource for the Toroparu Project including the Sona Hill saprolite is now 218,000 oz M&I at 0.9 gpt Au in 7,561 million tonnes of ore + 330,000 oz Inferred at 0.89 gpt Au in 11.06 Million tonnes of ore. Sona

Hill resources also contain significant volumes of near surface higher grade saprolite ore that can be selectively processed at elevated cut-off grades.

Sandspring, with the assistance of SRK, has looked at the impact of a revised mine plan to increase the capacity of the start-up saprolite leach operation assuming increases in total gold contained in saprolite are converted to reserves. This work suggests that sufficient saprolite exists to support i) an expansion of the saprolite leach start-up to 2.2 Million tonnes per year, ii) an extension of gold production from saprolite-only leach operations for three years, and iii) deferring commencement of construction of the initial hard rock mine and processing facilities by one year.

Additional exploration drill targets near Sona Hill and at Wynamu Hill were identified in the 2016 exploration program including a gold intercept of 7.51 g/t Au intercept from surface to 21.5m in saprolite in DDH WYD013 from the reconnaissance drill program at Wynamu Hill. These drill targets provide the opportunity to identify further saprolite resources which may further enhance the saprolite project.¹

Initial metallurgical test work conducted on Sona Hill saprolite cores indicate 88% leach extraction for gold at a grind of 125 microns and 96% at 75 microns over a 24-36 hour period, and 91% extraction at 106 microns for Wynamu saprolite core samples.³

2017 – 2018 Exploration Program:

Sandspring intends to conduct a two-phased, 12,000-15,000 meter, drill program consisting of infill, step-out, and reconnaissance drilling in Q4 2017- Q1 2018 utilizing two drill rigs in the Sona Hill and Wynamu prospect areas.

Phase 1 drilling (~6,000 m) will be focused on step-out drilling to the west (Sona W) and exploration targets to the northwest and southeast (Sona NW, Sona SSE) of the Sona Hill Resource Area, and infill drilling at Wynamu Hill.

Phase 2 (Q1 2018) will commence after analysis of assays results from the Phase 1 drill program. Based on positive assay results from Phase 1, Phase 2 will focus on infill drilling from Phase 1 at Sona Hill and Wynamu including resource infill drilling within the constrained resource pit at Sona Hill.

Sandspring geologists will conduct additional ground geophysics and geochemical surveys across the Sona Hill, Wynamu and Otomung concessions.

Sandspring estimates a total cost of drill and survey programs of C\$3.5 million.

Advanced Stage Permitting, Financial Support and Hydroelectric Project

The Toroparu project is at an advanced stage of development with its Mineral Agreement & Environmental Authorization in place, and the terms of the Mining License negotiated. The Project has a metal streaming agreement with Wheaton Precious Metals that covers USD\$135 Million which is ~30% of the initial capital expenditure identified in the Prefeasibility Study.

Fiore Capital (Frank Giustra) is Sandspring's largest shareholder.

Sandspring has a Memorandum of Understanding with the Gov't of Guyana for development of the Kurupung Hydroelectric Project, an 80-100 megawatt run-of river project located 50 km southwest of Toroparu on the Roraima escarpment.

Rich Munson, CEO states: "The work on evaluating the impact of additional gold resources from Sona Hill on the overall project economics for Toroparu has provided Sandspring with alternatives to move the Project forward in a phased program with phased pre-production capital expenditures. We believe these alternatives can improve the Project's overall economics at a variety of gold prices and quantifies the value added to the Project by continuing to explore for shallow gold-only resources in proximity to the main Toroparu deposit. The 2017-2018 Exploration Program offers a low-cost opportunity to further expand the saprolite resource and the Project's economic model. We remain committed to move the Project into production as soon as possible and the saprolite start-up project may provide an earlier start-up opportunity."

1 See NI 43-101 Technical Report, Prefeasibility Study, Toroparu Gold Project, Upper Puruni River Area, Guyana; Effective Date: May 8, 2013, Report Date: May 24, 2013 prepared by SRK Consulting (USA) (the "Prefeasibility Study")

2 See Sandspring Press Release dated February 13, 2017

3 See Sandspring Press release dated February 23, 2017

Prospect Area Summaries

Location Map

Figure 1:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/c8106a0d-8bed-4a9e-92a4-c3b4e6701113>

Sona Hill Exploration Areas

The Sona Hill gold deposit is hosted by lode-gold vein system within intrusives of intermediate composition with higher grade mineralization interspersed throughout the resource area. The gold resource is in the hanging wall above a low angle, ~300 west-dipping (toward Toroparu) shear zone with 80% of gold mineralization from 0 to 120m below surface. Gold hosting pyrite mineralization occurs mainly within tourmaline-feldspar bearing quartz veins surrounded by intense bleaching and alteration halos.

The Sona Hill drill core show widespread disseminated fine magnetite crystals within the hydrothermal halos and the strongly altered shearzone. The magnetite occurrence provides a potential geophysical marker that can help identify extensions of the gold mineralization system in the surrounding areas of Sona Hill.

Sona W, Sona NW & Sona SW

The 2016 exploration program covered a 1,000m wide area in Sona Northwest Zone and Sona West Zone with an 18-km ground Mag/IP pole-dipole (Induced Polarization) survey & 120 sample infill saprolite geochemistry program.

Figure 2:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/3c5683f9-f5b4-48e0-9e75-f0ae48d8674a>

Figure 3:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/eef5f5ca-5a6f-483e-849b-764ac98e368d>

Figure 4:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/08cc72d9-1b8b-4627-ab68-c245be19b861>

Magnetism, Induced Polarization, and saprolite geochemistry results suggest the shear zone and hydrothermal halos with associated gold mineralization may extend both to the northwest, south, and down-dip to the west of the Sona Hill gold resource shell.

Phase 1 of the 2017 – 2018 Exploration Program includes 3,000m targeting shallow mineralization in these areas (See Sona Hill Drill Program) followed by 3,000-6,000 m of follow-up or infill drilling in Phase 2.

Wynamu Hill

The saprolite geochemical gold anomaly at Wynamu Hill covers a 1 km x 500m NNE oriented area with continuous 100+ ppb values, including a dozen high values of >500 ppb.

Gold was intercepted in Saprolite and Fresh Rock in 6 of the 14 x 80m long DDH during the 2016 1,127m reconnaissance campaign focused on the top and flanks of the Wynamu Hill feature. Highlighted intercepts include 7.18 g/t Au from 0m - 21.5m in WYD013, 19.5 m of 1.18 g/t from 42.5m - 62 m in WYD003, and 9.0 m of 1.57 g/t from 32m - 41m in WYD014.

Figure 5:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/0dce7f48-ac07-49f8-80c5-955c997b10bf>

Phase 1 of the 2017 – 2018 Exploration Program includes 3,000m grid across the feature followed by 3,000m of follow-up drilling in Phase 2.

Otomung

The Otomung Area, 25 km northwest of the main Toroparu Pit, lies in an area that Sandspring's geologic model suggests may have similar conditions to those in the Toroparu area. Sandspring has conducted three systematic saprolite-geochemical surveys of the Otomung concession, with consecutive tighter survey grids focused on an interpreted elongated intrusive structure defined by multi-element geochemistry interpretation confirmed by airborne geophysics in the center of the concession.

The Au-Mo signature from the geochemistry surveys along the northeastern contact of the interpreted intrusive revealed a potential 8 km long NW-SE trend.

Figure 6:

<http://www.globenewswire.com/NewsRoom/AttachmentNg/f9fdd3dc-6039-4013-8516-28bf12c67bc7>

The 2017 – 2018 Exploration Program includes tightening the sampling grid to 50m x 50m with infill sampling along the anomalous gold trends to identify targets for diamond drilling.

Qualified Persons Review

The technical information in this document has been reviewed and approved by Mr. Lucas W. Claessens, P.Geo. and Pascal van Osta, P.Geo., both Senior Exploration Consultants for Sandspring Resources Ltd., who have experience with the style of mineralization under consideration and are Qualified Persons under National Instrument 43-101.

On behalf of the Board of Directors of Sandspring Resources Ltd.

Richard A. Munson
Director and Chief Executive Officer

About Sandspring Resources Ltd.

Sandspring Resources Ltd. is a Canadian junior mining company currently moving toward a feasibility study for the multi-million-ounce Toroparu Project in Guyana, South America. A prefeasibility study completed in May 2013 (NI 43-101 Technical Report, Prefeasibility Study, Toroparu Gold Project, Upper Puruni River Area, Guyana, dated May 24, 2013 completed by SRK Consulting (U.S.), Inc., available on SEDAR at www.sedar.com) outlined the design of an open-pit mine producing more than 200,000 ounces of gold annually over an initial 16-year mine life. Sandspring and Wheaton Precious Metals (formerly known as Silver Wheaton) entered into a gold and silver purchase agreement for the Toroparu Project. Additional information is available at www.sandspringresources.com or by email at info@sandspringresources.com.

Contact Sandspring Resources

[Sandspring Resources Ltd.](http://www.sandspringresources.com)

Richard A Munson, Chief Executive Officer
Tel: +1 (303)-991-5683 or via
email at info@sandspringresources.com

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