

**PRESS RELEASE**

**For Immediate Release**

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**Sandspring Resources Ltd. Arranges \$5,000,000 Bought-Deal Offering**

**Toronto, Canada — July 28<sup>th</sup>, 2009 — Sandspring Resources Ltd.** (TSX-V: SSP.P) (the “**Corporation**” or “**Sandspring**”) today announced that it has entered into an agreement with a syndicate of underwriters led by Research Capital Corporation (the “**Underwriter**”), whereby the Underwriter will purchase, on a bought deal basis, 14,285,800 subscription receipts of the Corporation (each a “**Subscription Receipt**”) at a price of \$0.35 per Subscription Receipt, for aggregate gross proceeds to the Corporation of \$5,000,030 (the “**Offering**”). The Corporation has also granted to the Underwriter an option (the “**Over-Allotment Option**”) to purchase up to an additional \$1,000,020 in Subscription Receipts until the closing of the Offering. The Offering will replace the best-efforts agency offering previously announced by the Corporation on May 15, 2009.

As outlined in the Corporation’s press release of May 15, 2009, subject to receipt of all necessary shareholder and regulatory approvals, the Corporation intends to effect a business combination with GoldHeart Investment Holdings Ltd. (“**GoldHeart**”) pursuant to the terms of an acquisition agreement entered into between Sandspring, GoldHeart and certain creditors of GoldHeart, such that Sandspring will acquire all the issued and outstanding securities of GoldHeart resulting in GoldHeart becoming a wholly-owned subsidiary of Sandspring (the “**Qualifying Transaction**”). Concurrent with the closing of the Qualifying Transaction, each Subscription Receipt shall be exchanged automatically, for no additional consideration, into one unit of Sandspring (a “**Unit**”). Each Unit shall consist of one common share of Sandspring (a “**Common Share**”), and one half of one Common Share purchase warrant (each whole Common Share purchase warrant being a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of \$0.50 per Common Share for a period of 36 months following the closing of the Qualifying Transaction. The Offering is scheduled to close on or about the week of August 3, 2009 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

In connection with the Offering, Sandspring will use its best commercial efforts to obtain a receipt for a final prospectus qualifying the distribution of the Common Shares and Warrants issuable upon the exchange of the Subscription Receipts (the “**Prospectus Qualification**”) within 60 days after the closing of the Offering. If Sandspring fails to obtain the Prospectus Qualification within 60 days after the closing of the Offering, each Subscription Receipt will, subject to adjustment, thereafter be exchangeable into 1.1 Units of the Corporation (instead of 1 Unit).

The gross proceeds of the Offering less any amounts paid to the Underwriter as commissions and expenses (the “**Escrowed Funds**”) will be deposited with an escrow agent and will be released from escrow to the Corporation upon satisfaction of certain escrow release conditions, including (i) all the necessary regulatory and shareholder approvals for the Qualifying Transaction, (ii) written confirmation from each of GoldHeart and the Corporation that all conditions of the Qualifying Transaction have been satisfied, other than release of the Escrowed Funds, and that the Qualifying Transaction shall be completed forthwith upon release of the Escrowed Funds, and (iii) satisfying the Prospectus Qualification. Subscription Receipts will be automatically exchanged into Units upon the escrow release conditions having been satisfied in full. In the event that such escrow release conditions have not been satisfied on that date which is one hundred and twenty (120) days following the Closing (the “**Escrow Deadline**”), (A) the Corporation shall refund the Escrowed Funds together with the accrued interest to the subscribers to the Offering and (B) the Underwriter shall refund the commissions earned to the subscribers to the Offering, provided, however, that the Corporation shall have the right to extend the Escrow Deadline by up to 60 days upon receipt of written consent of holders of Subscription Receipts that represent more than 50% of the Units issuable upon

exchange of the Subscription Receipts. Furthermore, in the event that the escrow release does not occur prior to the Escrow Deadline and the Corporation elects either not to extend the Escrow Deadline by seeking the necessary approval of holders of Subscription Receipts as referred to above, or is unsuccessful in obtaining the necessary approval of holders of Subscription Receipts to extend the Escrow Deadline, holders of Subscription Receipts may receive less than their full subscription amount.

In consideration for their services provided in connection with the Offering, the Underwriter will receive a cash commission of 8.0% of the gross proceeds of the Offering, including proceeds relating to any Subscription Receipts that are sold pursuant to the exercise of all of, or part of, the Over-Allotment Option. As additional consideration, on the closing of the Offering, the Underwriter will be issued non-transferable warrants (the "**Broker Warrants**") of the Corporation to purchase such number of Subscription Receipts as is equal to 10.0% of the aggregate number of Subscription Receipts issued under the Offering. Each Broker Warrant shall be exercisable at any time until the 24 month anniversary of the closing of the Qualifying Transaction at a price equal to the issue price of the Subscription Receipts.

The net proceeds of the Offering will be used by the Corporation to finance an initial work program relating to a mineral prospect located in the Republic of Guyana, South America (the "**Toroparu Gold-Copper Prospect**"), to pay costs associated with the closing of the Qualifying Transaction and the Offering, and for general working capital purposes of the Corporation.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.

### **Cautions Regarding Forward-Looking Statements**

Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "could", "anticipate" or "will" and similar expressions) may describe expectations, opinions or guidance that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management of Sandspring as at the date the statements are made and are subject to a variety of known and unknown risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Those factors include, but are not limited to risks, uncertainties and other factors that are beyond the control of Sandspring, risks associated with the mining industry, commodity prices and exchange rate changes, operational risks associated with exploration, development and production operations, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. In light of the risks and uncertainties associated with forward-looking statements, readers are cautioned not to place undue reliance upon forward-looking information. Assumptions relating to certain forward-looking information contained in this press release are set out herein. Although Sandspring believes that the expectations reflected in the forward-looking statements set out in this press release or incorporated herein by reference are reasonable, it can give no assurance that such expectations will prove to have been correct. Sandspring undertakes no obligation to update any such forward-looking statements to reflect events or circumstances occurring after the date such statement was made or to reflect the occurrence of unanticipated events, unless and except as required by applicable laws. The forward-looking statements of Sandspring contained in this press release, or incorporated herein by reference, are expressly qualified, in their entirety, by this cautionary statement.

Neither 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.

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