

SANDSPRING RESOURCES LTD.

PRESS RELEASE

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Sandspring Resources Ltd. Announces Completion of \$6 Million Private Placement

August 28, 2009 - Calgary, Alberta: Sandspring Resources Ltd. (the “**Corporation**”) (TSX-V: SSP.P) is pleased to announce that further to its press release dated August 14, 2009, the Corporation has successfully completed the second and final tranche (the “**Second Closing**”) of its previously announced bought-deal equity financing (the “**Offering**”) of subscription receipts (“**Subscription Receipts**”) with a syndicate of underwriters led by Research Capital Corporation (collectively, the “**Underwriters**”). The Corporation issued a further 810,000 Subscription Receipts for aggregate gross proceeds of \$283,500, pursuant to the remainder of the Underwriters’ option to purchase additional Subscription Receipts. In total, the Corporation raised aggregate gross proceeds of \$6,000,050 pursuant to the Offering.

The subscription proceeds from the Offering will be held in escrow pending the anticipated closing of the Corporation’s previously announced business combination with GoldHeart Investment Holdings Ltd. (“**GoldHeart**”) pursuant to the terms of an acquisition agreement entered into between the Corporation, GoldHeart and certain creditors of GoldHeart, whereby the Corporation will acquire all the issued and outstanding securities of GoldHeart resulting in GoldHeart becoming a wholly-owned subsidiary of the Corporation (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 the Corporation (a “**Unit**”). Each Unit shall consist of one common share of the Corporation (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 gross proceeds of the Second Closing (the “**Gross Proceeds**”), less any amounts paid to the Underwriters as Commission (as defined below) (the “**Escrowed Funds**”), were deposited into an interest-bearing escrow account, releasable to the Corporation at the closing of the Qualifying Transaction and upon the satisfaction or waiver of certain conditions of the Underwriters (the “**Release Conditions**”). In the event the Release Conditions are not satisfied or waived by the Underwriters by December 12, 2009 (the “**Escrow Deadline**”), the Escrowed Funds will be returned to subscribers by the escrow agent, and the Commission will be returned to the subscribers by the Underwriters; provided, however, that the Corporation shall have the right to extend the Escrow Deadline by up to sixty (60) days upon receipt of written consent of holders of Subscription Receipts that represent more than fifty percent (50%) of the Units issuable upon exchange of the Subscription Receipts. To the extent that the Escrowed Funds, accrued interest thereon, plus the Commission are less than the Gross Proceeds, subscribers will receive less than their full subscription amount and the Corporation will not be liable to pay the difference.

In connection with the Second Closing, the Underwriters received a cash commission (the “**Commission**”), equal to eight percent (8%) of the aggregate Gross Proceeds raised through the Second Closing and compensation option receipts entitling the holder thereof to acquire 81,000 compensation options (“**Compensation Options**”) upon the Release Conditions being satisfied, for no additional consideration. Each Compensation Option shall be exercisable into one Unit by the holders thereof until the second anniversary of the closing of the Qualifying Transaction at an exercise price of \$0.35 per Unit.

The net proceeds of the Offering will be used by the Corporation to pay costs associated with the closing of the Qualifying Transaction (including payment of up to a maximum of USD\$1,200,000 in respect of the Revolving Debt) and costs associated with the Offering, to finance an initial work program relating to Toroparu Gold-Copper Prospect and for general working capital purposes of the Corporation.

Sandspring Resources Ltd. Announces Extension and Amended Terms to Acquire Material Interest in Mineral Exploration Property Situated in Guyana, South America

The Corporation also announces that further to its press release dated May 15, 2009 announcing the entering into of an acquisition agreement respecting the Qualifying Transaction, the Corporation has entered into an amending agreement (the “**Amendment**”) to extend the expiry date to September 30, 2009 and to amend certain terms.

Amended Terms of the Qualifying Transaction

Pursuant to the Amendment, the total convertible debt (the “**Convertible Debt**”) owing to certain lenders to be assumed and paid by the Corporation will be USD\$3,134,538 (principal amount and accrued interest to September 30, 2009). The Convertible Debt will be paid through the issuance by the Corporation of 5,271,076 Common Shares (the “**Convertible Debt Shares**”) at a deemed per-share value of CDN\$0.50 and 1,571,429 units of the Corporation (the “**Convertible Debt Units**”) at a deemed per-unit value of CDN\$0.35. If the Qualifying Transaction is not completed on or before September 30, 2009, additional Convertible Debt Shares and Convertible Debt Units will be issued to the lenders in payment of the additional interest accrued in respect of the Convertible Debt.

In addition, in conjunction with the closing of the Qualifying Transaction, the Corporation will now assume and pay up to a maximum of USD\$1,200,000 in respect of a revolving credit line (the “**Revolving Debt**”) owed by ETK to Crescent Global Resources Ltd. (“**CGR**”) against receipt of a full release and forgiveness by CGR of any and all amounts owing under the Revolving Debt that exceeds USD\$1,200,000. The amount to be paid by the Corporation upon closing of the Qualifying Transaction has been reduced from USD\$850,000 to USD\$250,000 and an additional USD\$500,000 shall be paid to CGR by the issuance of 1,571,429 units of the Corporation. The Corporation will repay the amount that exceeds USD\$750,000 to a maximum of USD\$1,200,000 by making interim payments, in such amounts to be agreed upon by the parties, between the closing date and December 31, 2010.

Also pursuant to the Amendment, the aggregate proceeds of the private placement of subscription receipts required as a condition to closing of the Qualifying Transaction was reduced from CDN\$12,500,000 to a minimum of CDN\$5,000,030 and up to CDN\$6,000,050, which condition was met by the closing of the Offering.

For Further Information, Please Contact:

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Cautionary Statements

This media release contains certain statements which constitute forward-looking statements or information, including the use of the Offering proceeds and the completion of the Qualifying Transaction. Although the Corporation believes that the expectations reflected in our forward-looking statements are reasonable, our forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are

subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking information. As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. Risks include, but are not limited to: completion of the Qualifying Transaction and/or associated transactions, that the ultimate terms of the Qualifying Transaction and the associated transactions will differ from those that currently are contemplated, and that the Qualifying Transaction will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities), uncertainties and other factors that are beyond the control of the Corporation, 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. The Corporation assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Corporation. Additional information identifying risks and uncertainties is contained in filings of the Corporation with Canadian securities regulators, which filings are available under the Corporation's profile at www.sedar.com.

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