Sandspring Announces Positive Preliminary Economic Assessment for Toroparu Gold-Copper Project; Annual Production for First Four Years of 310,000 oz Gold and 29 Million Pounds Copper at Average Cash Cost of $317/oz Gold (net of copper credit)

March 22, 2011, Toronto, ON – SANDSPRING RESOURCES LTD. (SSP:TSX.V; SSPXF.PK:OTC; SRX:MU,F) (the Company) is pleased to announce receipt of a positive Preliminary Economic Assessment (PEA) for development of its 100% owned Toroparu gold-copper Project in the Republic of Guyana, South America (Toroparu Project).

The independent NI 43-101 compliant Preliminary Economic Assessment prepared by P&E Mining Consultants Inc. of Brampton, Ontario (P&E) envisions a phased open pit mine plan, a 33,000 tonnes per day mill and associated infrastructure with life of mine production of 3.83 million ounces gold and 308 million pounds of copper. Annual production over the first four years of operation is expected to average 310,000 ounces gold and 29 million pounds of copper.

The economic assessment is based on discounted cash flow analysis of a project designed to process 1.05 million (M) tonnes/year of saprolite over the initial seven years of production, and 10.5 M tonnes/year of fresh rock for the full 13-year mine life. Use of an elevated cutoff grade of 0.5 g/t AuEq in the 13-year mine life results in improved early cash flows and leads to creation of a low-grade stockpile which is expected to be processed in years 14 to 17. Based on the favourable economics seen in this study P&E recommends that the Company advances the Toroparu Project to the Definitive Feasibility (DFS) stage. All currency amounts in this press release are denominated in United States Dollars ($).

The base case discounted cash flow was conducted at the 24-month trailing average Au price of $1,137 per ounce and Cu price of $3.13 per pound on the effective date of February 28th, 2011.

Project Highlights

- Life of mine[1] pre-tax net present value (NPV 5%) of $854 M and IRR of 24.5%.
- Life of mine[1] production of 3.83 M oz Gold and 308 M lb Copper.
- 3.2 year payback of $617 M pre-production Capital Expenditures.
- Annual production of 310,000 ozs Gold and 29 M lbs. Copper averaged over payback (years 1-4).
- Annual production of 273,000 ozs Gold and 20 M lbs. Copper averaged over open pit mining operations (years 1-13).
- Cash cost of $317/oz Au (net of by-product copper credit) averaged over first four years of operation (pre-tax).
- Cash cost of $424/oz Au (net of by-product copper credit) averaged over the 13 year open pit mining operations.
- Separate processing circuits for saprolite (3,000 tpd) and fresh rock (30,000 tpd).
- Upgrade existing road and air infrastructure and development of purpose built port facilities on Essequibo River.
- Environmental permitting process is at an advanced stage.

1) Definition of Life of Mine includes 13-year life of pit plus 4-year stockpile reclamation and processing periods.

Economic Analysis

The economic analysis uses a pre-tax cash flow model to estimate annual costs and revenues over the 13-year open pit mining and 4-year stockpile processing operations. The mineable resource utilized in the analysis is presented in Table 1, and the variable parameters are summarized in Table 2.

Table 1: Toroparu Potentially Mineable Portion of the Mineral Resource @ 0.50 g/t AuEq Cut-Off

Potentially Mineable Classification	Tonnes (000's)	Au g/t	Cu %	AuEq g/t	Au oz (000's)	Cu lb (millions)
Saprolite Measured	884	1.03	0.04	1.11	29.3	0.8
Saprolite Indicated	1,804	0.84	0.06	0.95	48.7	2.5
Saprolite Measured & Indicated	**2,688**	**0.90**	**0.06**	**1.00**	**78.0**	**3.3**
Saprolite Inferred	4,016	0.98	0.05	1.07	126.5	4.5
Fresh Rock Measured	23,156	1.00	0.16	1.29	745.2	81.6
Fresh Rock Indicated	65,661	0.88	0.12	1.09	1,848.7	167.7
Fresh Rock Measured & Indicated	**88,817**	**0.91**	**0.13**	**1.14**	**2,593.9**	**249.3**
Fresh Rock Inferred	44,733	0.80	0.09	0.95	1,146.3	84.1
Total Measured & Indicated	**91,505**	**0.91**	**0.13**	**1.14**	**2,671.9**	**252.6**
Total Inferred	**48,749**	**0.81**	**0.08**	**0.96**	**1,272.8**	**88.6**

***** *In addition to the above mineable portion of the resource estimate, 39 M tonnes remain in a low grade stockpile at 0.31 g/t Au and 0.06% Cu. The potentially mineable mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions. The estimated tonnes and grade shown above are based on a 0.5 g/t Au equivalent mineable resource, 7% mine dilution at a diluting grade of 0.20 g/t Au and 0.03% Cu., with 2.5% mining losses. Dilution and mining losses were considered in mineable mineral resource calculations. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. 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.*

Table 2. Toroparu Economic Parameters, PEA Results and Sensitivities[1]

Economic Parameter		PEA Base Assumptions[1]	Intermediate Sensitivity	Current Price Sensitivity[3]
Metal Prices	Au ($/oz)	1,137[2]	1,187 (+50)	1,373 (+236)
	Cu ($/Lb)	3.13[2]	3.38 (+0.25)	4.47 (+1.34)
Fuel Prices	HFO ($/bbl)	70[2]	85 (+15)	100 (+30)
	Diesel($/Lt)[4]	1.06[4]	1.06[4]	1.06[4]
Pre-Production Capex ($)		617 M	679 M[5]	679 M[5]
Power Cost	HFO ($/kWh)	0.116	0.137	0.159
Operating Cost ($/t milled)		13.78	14.23	14.71
Cash cost ($/Au oz)		442	463	486
NPV[6] ($)	0%	1,565 M	1,608 M	2,209 M
	5% (base case)	854 M	867 M	1,259 M
	7%	667 M	674 M	1,009 M
	10%	456 M	454 M	723 M
IRR[6]	%	24.5	23.3	30.3
Payback period	Years	3.2	3.4	2.8

1) *Derived on 17- year life of mine (13 year open pit + 4- year stockpile processing).*
2) *PEA base assumption metal and HFO prices based on 24-month trailing avg. prices to February 28th 2011.*
3) *Average prices for Feb 2011.*
4) *Recent diesel price delivered to Toroparu site.*
5) *Sensitivities include overall 16% increase in capital expenditures. (See Table 5 $617.1M - $32 M = $585.1M x 1.1 6 = $679 M).*
6) *NPV and IRR are pre-tax and royalty.*

Table 3. Cash Operating Costs

Operating Costs	Metal	Payback Yr 1-4	Life of Pit Yr 1-13	Stockpile Yr 14-17
Saprolite Avg. Grade	Au g/t	0.87	0.95	N/A
	Cu %	0.06	0.05	N/A
Fresh Rock Avg. Grade	Au g/t	0.94	0.87	0.31
	Cu %	0.16	0.11	0.06
Produced Metal (annual)	Au oz	0.31 M	0.27 M	0.07 M
	Cu lb	29 M	20 M	11 M
Operating Cost ($/t milled)		14.92	15.22	8.05
Cash cost ($/Au oz)[1]	By-Product	317	424	666

1) Cash cost per ounce recovered gold net of by-product copper credit (Cu value net of treatment, refining, and transportation charges).

Table 4. Average Life of Mine[1] Operating Costs

Description	$/t
Saprolite Mining ($/ tonne mined)	0.87
Fresh Rock Mineralization ($/tonne mined)	1.38
Fresh Rock Waste ($/tonne mined)	1.28
Stockpile reclaim costs ($/tonne reclaimed)	0.60
Mineral Processing including tailings disposal ($/ tonne milled)	6.64
G&A Cost ($/tonne milled)	1.52

1) Definition of Life of Mine includes 13-year life of pit and 4-year stockpile reclaim and processing period.

Life of mine average total operating costs are $13.78/tonne.

Table 5. Pre-Production Capital Costs

Description	$ M
Permitting, Feasibility Study & Pre-Production Indirect Costs	44.0
Mine Equipment	105.6
Process Plant capital (including 15% contingency)	245.3
Power Plant & Electrical	85.6
Tailings & on-site infrastructure	26.0
Off-Site infrastructure	110.6
Total Pre-production Capital Cost	**617.1**

Average annual sustaining capital cost is $19 M (years 1 to 17).

Development Plan

The preliminary economic assessment incorporates activities during a pre-production construction period of twenty-four (24) months including building off-site infrastructure, installation of camp accommodations, on-site heavy fuel oil electric power plant and transmission lines, mill processing facility and tailings impoundment.

The Toroparu mine is designed as a conventional open-pit mining operation producing mill feed at a rate of 3,000 tpd of weathered saprolite rock and 30,000 tpd of fresh rock over a 350-day operating year. Total material mined over the first 13 years of the mine life is estimated at 759 M tonnes at an elevated gold equivalent cut-off grade of 0.5 g/t AuEq. The elevated cut-off results in a 39 M tonne stockpile grading 0.31 g/t Au and 0.06% Cu that would be processed after the pit is mined out. Total material moved over the life-of-mine averages 170,000 tonnes/day at an initial strip ratio of 3.9:1, and a life of mine strip ratio of 4.4:1. Mill tonnage will be supplied from the open pit for the first 13 years of operation and from the stockpile in years 14 to 17 after the pit is mined out.

Stockpile processing is expected to contribute $118 M to the undiscounted pre-tax net cash flow of the project. Contribution to NPV discounted at 5% is $52 M. Economic parameters for this material are highlighted in Table 3 above.

Production drilling would be carried out by diesel powered track mounted units. Operating bench heights of 12 metres have been assumed for the ore and waste mining operations. $30m^3$ electric shovels with 300 tonne haul trucks are contemplated for the mining operation, with average annual rock movement varying between an average of 167,000 tpd in years 1-3 to 170,000 tpd over LOM. Maximum mining rate is estimated to be 240,000 tpd in years 4 and 5. Inter-ramp pit

slopes have been designed at 49 degrees in fresh rock and 38 degrees in saprolite in accordance with preliminary recommendations from Knight Piésold Consulting (Knight Piésold).

The preliminary economic assessment mine plan contemplates that processing of saprolite will occur over a 7-year period in a stand-alone circuit comprised of crushing-grinding and whole ore cyanide leaching to produce doré on-site. Processing of fresh rock, based on results of metallurgical testing by SGS-Lakefield, will follow a conventional 2-3 stage copper-gold flotation to produce an average of 107 dry metric tonnes of copper concentrate per day containing ~ 25% copper and 3.5 to 5 oz gold per tonne of concentrate. Recovery of gold will be enhanced through cyanidation of cleaner concentrate tailings to produce gold doré bars on site.

The preliminary economic assessment is based on transporting the concentrate to tidewater on an upgraded road to a purpose-built port facility located on the Essequibo River and then by ocean going vessel for treatment at custom smelters at indicative terms received from the market, and transporting doré via air to a refiner at transportation and refining charges at similar terms being paid by other mines in the area. Estimated process recoveries are highlighted in Table 6.

Table 6. Toroparu estimated process recoveries

Material Type	Process Recovery	Payable Metal
Saprolite Au	91%	99.9%
Fresh Rock Au	93%	95.0%
Fresh Rock Cu	80%	96.0%

After treatment, the tailings will be pumped to a tailings management facility. Waste rock and stockpiled material will be deposited in an adjacent rock storage facility.

Electric power operating and capital costs for the project were derived from the use of oil-fired generators operating on Heavy Fuel Oil sourced from surrounding Caribbean and Guiana Shield refineries. Fuel would be received at the Company's port facility located on the Essequibo River and trucked to the site on the upgraded Toroparu road.

Estimated mine closure and site rehabilitation cost allowances have been included in the economic analysis. During mine operation, health and safety and environmental protection costs, including effluent treatment, have also been estimated.

Sandspring has submitted an Environmental Impact Assessment (EIA) to the Guyana Environmental Protection Agency (EPA). The EIA has been through the public comment period and issuance of the project Environmental Authorization by the Guyana EPA is expected over the near term.

Assuming 100% equity financing and using the 2-year trailing average, metal prices and exchange rates listed in Table 2, the P&E study estimates that the Toroparu Project will have a payback period of approximately 3.2 years after the start of concentrate production and will generate pre-tax, net cash flow of $1,565 M over a 17-year open pit mining and stockpile processing operating period.

Abraham Drost, P.Geo. President of Sandspring Resources Ltd. states, *"The results of the Preliminary Economic Assessment by P&E Mining Consultants Inc. recommends the commencement of a definitive feasibility study and supports an application for a Large Scale Mining Permit. The study is a positive step toward full production of 33,000 tonnes of mineralization per day and 310,000 ounces of gold per year during the payback period as well as a very appreciable copper byproduct stream.*

The 2011 work plan for Toroparu includes initiation of a Definitive Feasibility Study, additional definition and exploration drilling, geotechnical drilling and testing, further metallurgical testing and optimization of the milling and recovery process flow sheets. These programs will move the Toroparu Project towards delivery of a NI 43-101 Feasibility study in 2012. Additionally, Sandspring will continue to conduct exploratory drilling and regional exploration efforts to increase the potential for further development of both Toroparu and the 1,000 square kilometer Upper Puruni mining concessions.

Led by our Chairman John Adams and a very accomplished Board and management team with extensive mining production experience in the United States and Guyana, Sandspring Resources Ltd. through its wholly-owned Guyanese subsidiary ETK Inc,. is well on the way to establishing Guyana's next large scale gold producer."

Qualified Persons

The Preliminary Economic Assessment is based on a NI 43-101 compliant mineral resource estimate completed by P&E Mining Consultants Inc. on February 28, 2011.

The following are the Qualified Persons as defined under National Instrument 43-101 who are responsible for reviewing and approving the contents this press release: Eugene Puritch, P.Eng. and Abraham Drost, P.Geo. Geology and mineral resources were reviewed for the study by Antoine Yassa, P.Geo. and Eugene Puritch, P.Eng. of P&E Mining Consultants Inc. Mineable mineral resource, mine planning and design aspects were developed by Eugene Puritch, P.Eng. and David Orava, P.Eng. of P&E Mining Consultants Inc.

Metallurgical test work, completed in 2010 and 2011 was conducted by SGS Lakefield Research Limited under the supervision of RDI Mineral Consultants Inc. and P&E Mining Consultants Inc. Mill process design work was conducted by Alfred Hayden of EHA Engineering Ltd. Conceptual plant design and construction work was done by Ernest Burga, P.Eng. of P&E Mining Consultants Inc.

Tailings, water supply and site infrastructure study components were conducted by Malcolm Buck, P.Eng. of P&E Mining Consultants Inc. A preliminary geotechnical review was conducted by Daniel Yang, P.Eng. of Knight Piésold.

All of the above Qualified Persons are independent of the Company with the exception of Mr. Drost.

Current Work and Future Plan

The 2011 work plan includes initiation of a Definitive Feasibility Study, additional definition and exploration drilling, geotechnical drilling and testing, further metallurgical testing and optimization and selected geophysical and geochemical surveys on additional exploration target areas. These will supplement the existing database and move the Toroparu Project towards delivery of a NI 43-101 Feasibility study in 2012.

Sandspring Resources Ltd. is debt free, with approximately C$40 million in working capital cash and securities at February 28, 2011.

For further details on Sandspring Resources Ltd., please visit the Company's website at www.sandspringresources.com

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Cautionary Note and Forward Looking Statements

All information contained in this press release relating to the contents of the preliminary economic assessment, including but not limited to statements of the Toroparu Project's potential and information such as capital and operating costs, production summary, and financial analysis, are "forward looking statements". The information relating to the possible construction of mine and plant facilities also constitutes such "forward looking statements".

The preliminary economic assessment study was prepared to broadly quantify the Toroparu Project's capital and operating cost parameters and to provide guidance on the type and scale of future project engineering and development work that will be needed to ultimately define the project's likelihood of a positive feasibility determination and optimal

production rate. It was not prepared to be used as a valuation of the Toroparu Project nor should it be considered to be a final feasibility study on which a commercial production decision could be made. The capital and operating cost estimates which were used have been developed only to an approximate order of magnitude based on generally understood capital cost to production level relationships, and although they are based on engineering studies, these are preliminary so the ultimate costs may vary widely from the amounts set out in the preliminary economic assessment. This could materially adversely impact the projected economics of the Toroparu Project. As is normal at this stage of a project, data in some areas was incomplete and estimates were developed based solely on the expertise of the Company's employees and consultants. At this level of engineering, the criteria, methods and estimates are preliminary and result in a high level of subjective judgment being employed. There can be no assurance that the potential results contained in the preliminary economic assessment will be realized.

The following are the principal risk factors and uncertainties which, in management's opinion, are likely to most directly affect the conclusions of the preliminary economic assessment and the ultimate feasibility of the Toroparu Project. The mineralized material at the Toroparu Project is currently classified as a Measured, Indicated and Inferred resource under Canadian mining disclosure standards but readers are cautioned that no part of the Project's mineralization is yet considered to be a mineable reserve under Canadian and U.S. mining standards. In both jurisdictions, a feasibility study would be required, which would require more detailed studies. Additionally all necessary mining permits would be required in order to classify the project's mineralized material as an economically exploitable reserve. There can be no assurance that this mineralized material will become classifiable as a reserve and there is no assurance as to the amount, if any, which might ultimately qualify as a reserve or what the grade of such reserve amounts would be.

There is a possibility that the recommended definitive feasibility study may determine that the currently assumed mine design, mining methods and processing methods require modification. Construction and operation of the mine and processing facilities depend on securing environmental and other permits on a timely basis. Costs, including design, procurement, construction and on-going operating costs and metal recoveries could be materially different from those contained in the PEA. There can be no assurance that mining can be conducted at the rates and grades assumed in the PEA. There can be no assurance that these infrastructure facilities can be developed on a timely and cost-effective basis. Energy risks include the potential for significant increases in the cost of fuel and electricity. The PEA assumes specified, long-term and relatively stable price levels for the payable metals. There can be no assurance that debt and/or equity financing will be available on acceptable terms. A significant increase in costs of capital could materially adversely affect the value and feasibility of constructing the project. Other general risks include those ordinary to large construction projects, including the general uncertainties inherent in engineering and construction cost, the need to comply with generally increasing environmental and social obligations and environmental standards, and currency exchange rate fluctuation effects.