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### **Sandspring Announces Proposed Acquisition of PNO Resources Ltd.**

**Denver, Colorado and Vancouver, British Columbia: July 6, 2015** — Sandspring Resources Ltd. (SSP: TSX-V) ( "**Sandspring**") and PNO Resources Ltd. (PNO.H: TSX-V) ("**PNO**") are pleased to announce that they have entered into a binding letter agreement dated as of July 2, 2015 (the "**Letter Agreement**") providing for the acquisition (the "**Acquisition**") by Sandspring of PNO by way of a three-cornered amalgamation. Sandspring and PNO are both publicly listed companies and are at arm's length to each other.

Sandspring is a Canadian junior mining company currently in advanced exploration and in the process of finalizing a feasibility study for the multi-million ounce Toroparu Gold Project in Guyana, South America. PNO's principal business activity is the acquisition and exploration of natural resource properties. The Acquisition is subject to the satisfaction or waiver of certain customary closing conditions. Following the Acquisition, Sandspring will continue to trade on the TSX Venture Exchange ("**TSXV**") and PNO will be delisted.

#### **Summary of the Acquisition**

Pursuant to the Letter Agreement, PNO will amalgamate with a wholly-owned subsidiary of Sandspring, and all of the issued and outstanding common shares of PNO ("**PNO Shares**") will be acquired by Sandspring from the existing holders thereof in consideration of the issuance of one Post-Consolidation Sandspring Share (as defined below) for each PNO Share so held (the "**Exchange Ratio**"). Prior to the completion of the Acquisition, it is proposed that Sandspring shall consolidate its issued and outstanding common shares ("**Sandspring Shares**") on the basis of one "new" common share (a "**Post-Consolidation Sandspring Share**") for every three Sandspring Shares outstanding (the "**Consolidation**"). At its annual and special meeting of Sandspring shareholders, currently scheduled to be held on Sept 3, 2015, Sandspring will seek the approval of its shareholders for the Consolidation.

Also in connection with the Acquisition, all of the outstanding stock options and warrants of PNO will be converted to stock options and warrants to acquire Sandspring Shares and subject to adjustments based on the Exchange Ratio.

### **Private Placement and Loan**

Prior to completion of the Acquisition, and as a condition thereof, a private placement equity financing shall be completed in PNO to raise up to gross proceeds of \$3,500,000 (the “**Private Placement**”). The Private Placement will consist of units (“**Units**”) at a price of \$.20 per Unit, with each Unit consisting of one PNO Share and one share purchase warrant of PNO entitling the holder thereof to acquire one additional PNO Share at an exercise price of \$0.30 for five years. The definitive agreement to be entered into in respect of the Acquisition will also contemplate the advance of a loan by PNO to Sandspring immediately following the date such definitive agreement is executed (the “**Execution Date**”) in an amount sufficient to pay anticipated operating expenses over the period between the Execution Date and the Closing Date and on terms to be determined prior to the Execution Date.

Sandspring and PNO are arm’s length parties, and there are no current non-arm’s length parties of Sandspring which are insiders of PNO or presently hold any direct or indirect beneficial interest in either PNO or any of its assets. There are currently no “control persons” (as defined by the applicable regulations of the TSXV) of Sandspring or PNO other than Crescent Global Gold Ltd. which currently holds an aggregate of 16,675,546 Sandspring Shares representing approximately 11.5% of all issued and outstanding Sandspring Shares as of the date hereof and Frank Giustra and related entities who currently hold an aggregate of 3,336,500 PNO Shares representing approximately 26.82% of all issued and outstanding PNO Shares as of the date hereof. Based on the current shareholdings and present knowledge of Sandspring and PNO, it is anticipated that following the closing of the Acquisition, no person or company will beneficially own, directly or indirectly, or control or direct more than 10% of the issued and outstanding Post-Consolidation Sandspring Shares.

Authorization to proceed with the Acquisition will require approval by shareholders of PNO which PNO will seek at a special shareholders meeting to be held as soon as practicable. Substantial additional information regarding the details of the proposed Acquisition will be included in the Notice of Special Meeting of Shareholders for such meeting. The transaction is currently expected to close shortly thereafter.

It is anticipated that immediately following the closing of the Acquisition (assuming 17,500,000 Units are sold in the Private Placement, there are no other changes to the outstanding common shares or convertible securities of either company, and after giving effect to the 1,000,000 common share transaction fee payable in connection with the Acquisition), an aggregate of approximately 79,177,904 Post-Consolidation Sandspring Shares will be issued and outstanding, of which it is anticipated that 12,441,642 Post-Consolidation Sandspring Shares will be held by former PNO shareholders (representing 15.7% of the Post-Consolidation Sandspring Shares), and 48,236,261 Post-Consolidation Sandspring Shares will be held by existing Sandspring shareholders (representing 61% of the Post-Consolidation Sandspring Shares). Furthermore, it is anticipated that no Post-Consolidation Sandspring Shares will be reserved for issuance pursuant to outstanding convertible securities upon the closing of the Acquisition, other than up to 25,942,358 Post-Consolidation Sandspring Shares issuable upon exercise of outstanding share purchase warrants and up to 3,958,250 Post-Consolidation Sandspring Shares issuable upon exercise of outstanding stock options.

The Letter Agreement contains customary terms and conditions for a transaction of this nature, including covenants applicable to each such entity until closing of the Acquisition regarding their respective businesses and affairs, and certain standstill provisions.

### **Board of Sandspring**

Following the closing of the Acquisition, it is proposed that the board of directors of Sandspring shall be comprised of eight members, of which five such members shall be designated by Sandspring and three such members shall be designated by PNO.

### **Financial and Technical Information regarding Sandspring and PNO**

For further details concerning PNO and Sandspring, including their respective property interests and financial information, please refer to the annual audited financial statements of each of PNO and Sandspring for the fiscal years ended June 30, 2014 and December 31, 2014, respectively; the interim financial statements of Sandspring for the three month period ended March 31, 2015; and the interim financial statements of PNO for the nine month period ended March 31, 2015, together with the accompanying management's discussion and analysis for each such period, and the additional public filings of each such company, all available on SEDAR at [www.sedar.com](http://www.sedar.com). For further details on the property interests of Sandspring, please refer to the technical report entitled "NI 43-101 Technical Report, Prefeasibility Study, Toroparu Gold Project, Upper Puruni River Area, Guyana" dated effective May 8, 2013 and available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Conditions to Closing**

Completion of the Acquisition is subject to a number of conditions, including, but not limited to, negotiation and execution of a definitive agreement, receipt of applicable regulatory, court and requisite majority approval of shareholders of PNO in respect of the Acquisition and of shareholders of Sandspring in respect of the Consolidation, TSXV acceptance and completion of the Private Placement. There can be no assurance that the Acquisition will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in any management information circular to be prepared in connection with the Acquisition, any information released or received with respect to the proposed Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of Sandspring and PNO should be considered highly speculative. The TSXV has in no way passed upon the merits of the proposed Acquisition and neither has approved nor disapproved the contents of this press release.

### **About Sandspring Resources Ltd..**

Sandspring Resources Ltd. was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on September 20, 2006 and continued out of Alberta and into Ontario effective March 31, 2010. Sandspring is a Canadian junior mining company currently moving toward a definitive feasibility study for the multi-million ounce Toroparu Project in the Republic of Guyana.

### **About PNO Resources Ltd.**

PNO is a company incorporated under the laws of British Columbia and whose common shares are listed on the NEX board of the TSX Venture Exchange under the symbol "PNO.H". PNO's current principal activities are seeking opportunities in the natural resource sector.

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
SANDSPRING RESOURCES LTD.**

Per: “Richard A. Munson”  
Richard Munson  
Chief Executive Officer

**ON BEHALF OF THE BOARD OF DIRECTORS OF  
PNO RESOURCES LTD.**

Per: “Christy Louth”  
Christy Louth  
President and Director

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*Additional information on Sandspring can be viewed on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com) or on Sandspring's website at [www.sandspringresources.com](http://www.sandspringresources.com)*

*This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "might", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information and/or statements. Forward-looking statements and/or information are based on a number of material factors, expectations and/or assumptions of Sandspring which have been used to develop such statements and/or information but which may prove to be incorrect. Although Sandspring believes that the expectations reflected in such forward-looking statements and/or information are reasonable, undue reliance should not be placed on forward-looking statements as Sandspring can give no assurance that such expectations will prove*

*to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: that the Acquisition will be effected as currently proposed, and that all requisite shareholder, regulatory and third party consents will be obtained in connection therewith in form and substance acceptable to each of Sandspring and PNO; the anticipated timing of the Acquisition and the expected benefits of the Acquisition; that Sandspring will continue to conduct its operations in a manner consistent with past operations; results from drilling activities; Sandspring's future plans; availability of financing and/or cash flow to fund current and future plans and expenditures, including with respect to the Private Placement; the impact of increasing competition; the general stability of applicable economic and political environments; the general continuance of current industry conditions; and the timely receipt of any required regulatory approvals. The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and/or statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results and/or events to differ materially from those anticipated in such forward-looking information and/or statements including, without limitation: risks associated with the failure to complete the Acquisition and/or Private Placement, in each as currently proposed or at all; risks associated with the uncertainty of exploration results and estimates, the uncertainty of conducting operations under a foreign regime, exploration risk, the uncertainty of obtaining all applicable regulatory and/or shareholder approvals, and the Company's dependence on Sandspring's management personnel, and/or certain other risks detailed from time-to-time in Sandspring's public disclosure documents. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligations to publicly update and/or revise any of the included forward-looking statements, whether as a result of additional information, future events and/or otherwise, except as may be required by applicable securities laws.*

Neither the 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.