

## Sandspring announces maiden Mineral Resource Estimate for Sona Hill Discovery

**February 23, 2017 – Denver, Colorado and Vancouver, British Columbia – Sandspring Resources Ltd. (SSP: TSX-V)** (“Sandspring” or the “Company”) is pleased to report the maiden mineral resource estimate (“Resource Estimate”) for its discovery at Sona Hill, deposit located 5 km southeast of the Toroparu Gold Project (“Toroparu”)<sup>1</sup> in Guyana, South America.

**Highlights** of the Resource Estimate include:

- Pit-constrained maiden gold only resource having a total Indicated (“Ind.”) resource of 195,000 Au, and Inferred (“Inf.”) resource of 241,000 ounces of at a cut-off grade of 0.31 g/t Au (Table 1)
- Significant quantities of higher grade gold-only mineralization include (Table 1):
  - 178,000 oz Ind. resource at 1.30 g/t Au and 218,000 Inf. resource at 1.29 g/t Au at elevated cutoff grade of 0.5 g/t Au, and
  - 129,000 oz Ind. resource at 1.88 g/t Au and 156,000 Inf. resource at 1.94 g/t Au at elevated cutoff grade of 1.0 g/t Au, and
- Shallow lode-gold vein mineralized system in proximity to main Toroparu pit with 80% of total mineralization located within 120m of surface within single optimized Whittle pit; 25% of the total Indicated resource contained in weathered Saprolite rock from surface (see Table 2); and
- Mineralization at Sona Hill remains open at depth and along strike.

The estimate was completed at a variety of cut off grades by SRK Consulting (U.S.) Inc. (“SRK”) and the details are presented in the following table:

**Table 1: Mineral Resource Sensitivity Table - All Rock Types <sup>2</sup>**

All Rock Type Cutoff Sensitivity (Ind)					All Rock Type Cutoff Sensitivity (Inf)				
Gold Price (\$/oz)	Cutoff (g/t Au)	Tonnes (000's)	Au (g/t)	Au oz. (000's)	Gold Price (\$/oz)	Cutoff (g/t Au)	Tonnes (000's)	Au (g/t)	Au oz. (000's)
\$1,750	0.25	5,996	1.03	199	\$1,750	0.25	7,660	1.00	247
\$1,460	0.3	5,643	1.08	196	\$1,460	0.3	7,151	1.05	242
\$1,400	0.31	5,563	1.09	195	\$1,400	0.31	7,041	1.06	241
\$1,250	0.35	5,315	1.13	192	\$1,250	0.35	6,606	1.11	236
\$1,095	0.4	4,968	1.18	188	\$1,095	0.4	6,127	1.17	231
\$875	0.5	4,245	1.30	178	\$875	0.5	5,232	1.29	218
\$730	0.6	3,692	1.42	168	\$730	0.6	4,418	1.43	203
\$625	0.7	3,182	1.54	157	\$625	0.7	3,754	1.57	189
\$550	0.8	2,748	1.66	147	\$550	0.8	3,265	1.69	178
\$490	0.9	2,401	1.78	137	\$490	0.9	2,829	1.82	166
\$440	1.0	2,138	1.88	129	\$440	1.0	2,497	1.94	156

The resource estimate is based on analytical and geological data from 12,585 metres (“m”) of diamond drill core recovered from the 109 deposit specific boreholes drilled to date and reported in news releases on February 3, 2016, November 3, 2016, and February 13, 2017.

1 2013 SRK Consulting (U.S.) Inc., Toroparu pre-feasibility study estimates 44.5 mt of Measured Resource at a grade of 0.98 g/t Au containing 1.398 moz of Gold, Indicated Resource of 195.7 mt at 0.87 g/t containing 5.497 moz Gold for a total M&I resource of 6.894 moz of Gold, inclusive of 4.107 moz of Proven and Probable Reserves as follows: Proven Reserves are 29.7 mt at 1.10 g/t containing 1.049moz Au, and Probable Reserves of 97.3 mt at 0.98 g/t containing 3.058 moz Au.

2 Mineral Resources are reported in accordance with Canadian Securities Administrators (CSA) National Instrument 43-101 (NI 43-101) and have been estimated in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. 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. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

**Table 2: Mineral Resource Sensitivity Table - Fresh Rock & Saprolite**

Fresh Rock Type Cutoff Sensitivity (Ind)					Fresh Rock Type Cutoff Sensitivity (Inf)				
Gold Price (\$/oz)	Cutoff (g/t Au)	Tonnes (000's)	Au (g/t)	Au oz. (000's)	Gold Price (\$/oz)	Cutoff (g/t Au)	Tonnes (000's)	Au (g/t)	Au oz. (000's)
\$1,750	0.25	4,405	1.05	148	\$1,750	0.25	5,374	1.01	174
\$1,460	0.3	4,118	1.10	146	\$1,460	0.3	5,069	1.05	171
\$1,400	0.31	4,047	1.11	145	\$1,400	0.31	4,994	1.06	171
\$1,095	0.4	3,602	1.21	140	\$1,095	0.4	4,371	1.16	164
\$875	0.5	3,076	1.34	132	\$875	0.5	3,712	1.29	154
\$550	0.8	1,976	1.72	109	\$550	0.8	2,299	1.70	125
\$440	1	1,555	1.95	97	\$440	1	1,736	1.96	109

Saprolite Cutoff Sensitivity (Ind)					Saprolite Cutoff Sensitivity (Inf)				
Gold Price (\$/oz)	Cutoff (g/t Au)	Tonnes (000's)	Au (g/t)	Au oz. (000's)	Gold Price (\$/oz)	Cutoff (g/t Au)	Tonnes (000's)	Au (g/t)	Au oz. (000's)
\$1,750	0.25	1,591	1.00	51	\$1,750	0.25	2,287	0.99	73
\$1,460	0.3	1,525	1.03	50	\$1,460	0.3	2,082	1.06	71
\$1,400	0.31	1,515	1.03	50	\$1,400	0.31	2,047	1.07	70
\$1,250	0.35	1,461	1.06	50	\$1,250	0.35	1,899	1.13	69
\$1,095	0.4	1,366	1.10	49	\$1,095	0.4	1,756	1.19	67
\$875	0.5	1,169	1.21	46	\$875	0.5	1,520	1.30	64
\$550	0.8	772	1.51	38	\$550	0.8	965	1.69	52
\$440	1.0	583	1.71	32	\$440	1.0	762	1.90	46

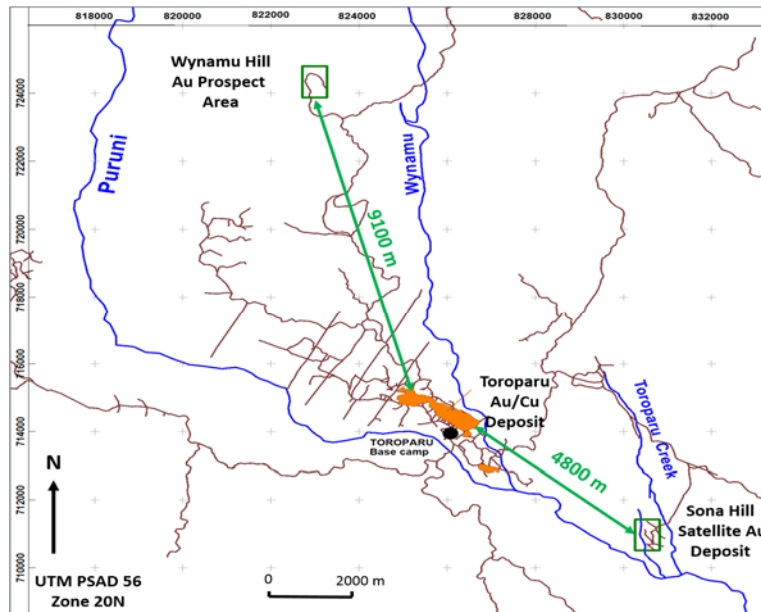
**Next Steps include:**

- Identification of infill locations to meet the goal of increasing the Indicated classification of the resource to +80%;
- Identification of step-out locations to determine continuity potential of mineralization at depth to the west and to a lesser extent north and south of existing resource shell; and
- Determination of metallurgical, recovery, and comminution properties of representative saprolite and fresh rock samples.
- Continuation of feasibility work for Toroparu including evaluation of Sona Hill resource impacts on mine plan presented in the Pre-Feasibility Study for Toroparu published on May 24, 2013.

Rich Munson, CEO states: “We are very pleased to announce the maiden resource estimate for the Sona Hill Satellite Deposit. Sona Hill adds significant shallow gold-only resources in proximity to the existing reserves reported in the pre-feasibility study for Toroparu. The results from Sona Hill and the new discovery at Wynamu Hill that were reported on February 13, 2017 clearly warrant the continuation of systematic exploration of our property position surrounding Toroparu, including the eight-additional high-priority gold features within the 20 km by 7 km regional hydrothermal alteration halo surrounding Toroparu. Our geologic team, that continues to be led by Werner Claessens and Pascal van Osta, consultants to the Company, is working with SRK on additional drill programs to increase the confidence classification of Sona Hill resources, as well as looking at programs to further delineate mineralization at Wynamu Hill and explore for additional satellites within our concession boundaries.

Our technical team, which continues to be led by Greg Barnes, our Executive Vice President, with assistance from Yani Roditis as a consultant to the Company, will simultaneously be advancing the final feasibility study for Toroparu over the course of 2017. Because Sona Hill adds significant shallow gold-only resources in both Saprolite and Fresh Rock (the “New Resource”) in proximity to the existing reserves at Toroparu, on-going feasibility work will examine the potential impacts on the economic parameters of the project by including this higher grade New Resource in the overall mine plan and the initial Saprolite mining phase, as detailed in the 2013 Toroparu Pre-Feasibility Study.”

## Location Map



### Sona Hill Geology

The Sona Hill deposit, hosted by intrusives of intermediate composition, is a typical lode-gold vein system, which developed in the hanging wall above a low angle, west dipping shear zone. This fault feature forms the highly deformed and intensely altered contact zone between the intrusives and an underlying acid volcanic sequence. Gold-Pyrite mineralization occurs mainly within and at the border of tourmaline-feldspar bearing quartz veins, which are surrounded by intense bleaching and alteration halos.

Areas of higher grade mineralization occur frequently throughout the resource area, with more than 80% of gold mineralization contained in rock from 0 to 160m below surface. Mineralization at Sona Hill remains open at depth and along strike. The results of ground geophysical and infill geochemical surveys conducted in 2016, which focused on a 1000 x 1500 m area due west of Sona Hill, are being analyzed for evidence of possible extensions of mineralization in this direction (see February 13, 2017 Press Release).

The Sona Hill drill geologic model was developed in Leapfrog 3D modeling software utilizing geologic information from the 109 drill holes. The 109 deposit specific boreholes were drilled over a 1,000m x 300m area on the west flank of Sona Hill from 2014-2016. The resource estimate is based on data from 12,585m of diamond drill core recovered from the 109 deposit specific boreholes drilled to date.

### Sona Hill Resource Estimate

The Sona Hill mineral resource estimate was independently estimated by SRK Consulting (U.S.) Inc. (“SRK”) as a potentially open-pit satellite deposit to Toroparu. The geologic and assay data were used to model a mineralized shell in Leapfrog Geo® software. The mineralized shape is based on continuity established with 6m composites, and incorporated anisotropy from a generalized average trend of mineralized quartz veins as well as local down-hole point-data structural orientations of veins. The mineralized veins (down-hole point data) have an average strike of 228° azimuth dipping on average 41° (NW).

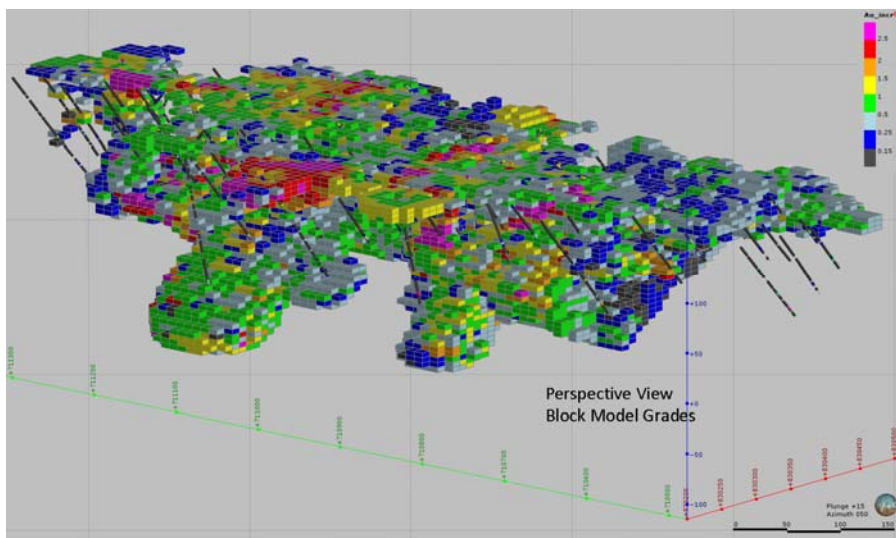
The drill core assay length was 1.5m and the gold assay were composited to 2.5m intervals within the mineralized wireframes and capped at 18g/t Au. A block model was constructed in Datamine Studio3® mining software package (“Datamine”), using a 10m x 10m x 5m standard block size and sub-blocking with a variable “z” value at the fresh rock-saprolite surface.

Variogram analysis on 2.5m composites was undertaken, with reasonable continuity results, but no preferred orientation of mineralization observed; given the distribution of drilling and the geometry of the mineralization this was not un-

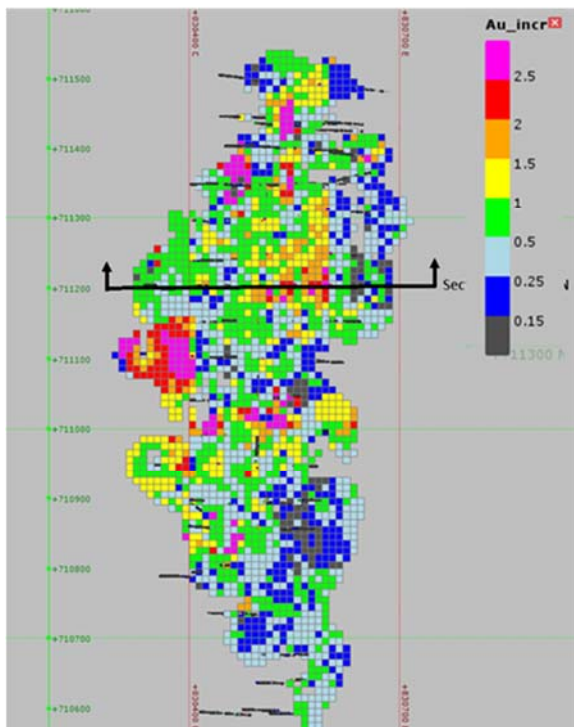
expected. Therefore, the point data of structural vein orientations were used with the dynamic anisotropy option in Datamine, and search orientations interpolated into each block. The average interpolated orientation is azimuth 248° with a dip of 41° NW. Gold grades were interpolated using ordinary kriging constrained within the mineralized shape. Average Bulk Density values based on measurements of Sona Hill core are 1.65 for oxidized saprolite and 2.84 for fresh rock. Validation of model accuracy was based on comparing results from kriging with inverse distance and nearest neighbor grade estimates, which shows very similar results, and visual review on sections.

Confidence classification is based on a minimum of 5 composites, with a maximum of two composites from any one hole and search distances of 25m x 50m x 50m for Indicated. Inferred classification used a minimum of one composite with a search distance of 50m x 100m x 100m.

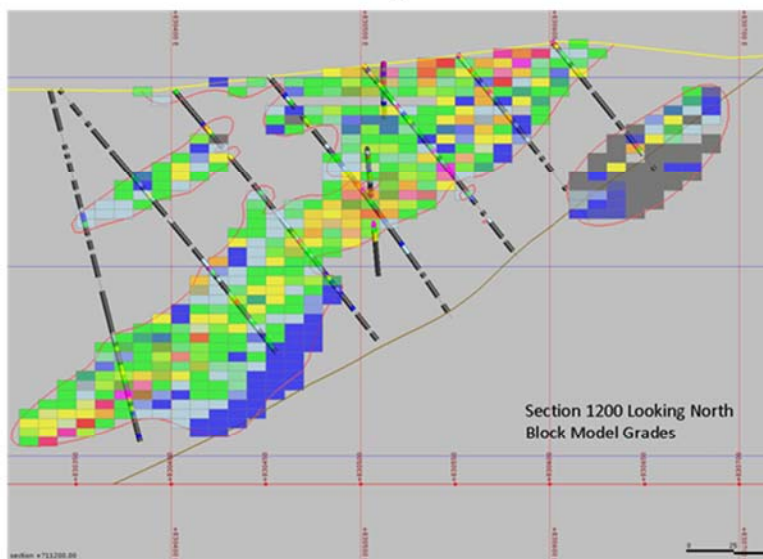
**Plan View – Block Model Grades**



**Plan View – Block Model Grades**



**Cross Section View – Section 1200 Looking North**



The effective date of the resource estimate is February 21, 2017. All resources in the mineral resource statement are in-pit resources reported within a Whittle optimized pit shell above an economic cut-off grade of 0.31 g/t Au. The optimized pit shell was determined using Indicated and Inferred resources, a gold price of US\$1,400/oz. Au, an average



metallurgical recovery of 92% for gold, an average mining cost of US\$1.80/t, processing + G&A costs of US\$11.88/t, and pit slope angles of 45 degrees. These parameters are similar to those used in the 2013 SRK Pre-Feasibility Study for the Toroparu Deposit.

### **Analysis and Quality Control**

Analytical testing and reporting of quantitative assays for holes SOD001-SOD109 was performed independently by Bureau Veritas Mineral Laboratories Vancouver, Canada. Bureau Veritas Commodities Canada Ltd. is an ISO9001: 2008 accredited laboratory. A system of blanks, standards and duplicates were added to the Toroparu sample stream by the Company to verify accuracy and precision of assay results, supplementing a variety of internal quality assurance/quality control (“QA/QC”) tests performed by Bureau Veritas Mineral Laboratories-

The statistical analysis, geologic modelling and resource estimation were prepared by Frank Daviess, RM SME and MAusIMM., and Allan Moran, AIPG CPG, SRK Associates, who are Qualified Persons under National Instrument 43-101. Other scientific and technical content related to drilling in this news release is approved by Mr. Lucas W. Claessens, P.Geo. and Pascal van Osta, P.Geo., both Senior Exploration Consultants for Sandspring Resources Ltd., who 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](http://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 Silver Wheaton have entered into a gold and silver purchase agreement for the Toroparu Project. Additional information is available at [www.sandspringresources.com](http://www.sandspringresources.com) or by email at [info@sandspringresources.com](mailto:info@sandspringresources.com).

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### ***Quality Assurance / Quality Control***

*The drill program and sampling protocol is managed by Sandspring under the supervision of Lucas W. Claessens, P.Geo., and Pascal Van Osta, P.Geo. The diamond drill holes are drilled at HQ and NQ sizes and core recovery to date has averaged 94%. Half core is cut by rock saw and is generally sampled using 1.5 m meter intervals. Analytical testing and reporting of quantitative assays for the results reported in this press release was performed independently by Bureau Veritas Mineral Laboratories in Vancouver, Canada. Bureau Veritas Commodities Canada Ltd. is an ISO9001: 2008 accredited laboratory. Gold analyses reported in this release were performed by standard fire assay (FA450) using a 50 gram charge with atomic absorption finish and a gravimetric finish for assays greater than 10 grams per tonne. Samples from the geochemical survey were submitted for analysis of ICP 37 elements (including gold) AQ252 30 gram (Aqua Regia digestion - Ultratrace ICP-MS analyses). A system of blanks, standards and duplicates were added by the Company to the sample streams to verify accuracy and precision of assay results, supplementing a variety of internal QA/QC tests performed by Bureau Veritas Mineral Laboratories. The half core samples were securely transported by Sandspring personnel from the project site to the Bureau Veritas sample preparation facility in Georgetown, Guyana.*



### ***Forward-looking Statements***

*This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words “potential”, “suggesting”, “indicating”, “will”, “plans” 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 that Sandspring has 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 since Sandspring can give no assurance that such expectations will prove to be correct. 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: the speculative nature of mineral exploration and development; risks associated with the uncertainty of exploration results and estimates; results from drilling and exploration activities and Sandspring’s ability to identify additional gold mineralization; Sandspring’s ability to successfully advance the Toroparu Gold Project toward feasibility; Sandspring’s future plans; the availability of financing and/or cash flow to fund current and future plans and expenditures; the impact of increasing competition; fluctuating commodity prices; the general stability of applicable economic and political environments; the general continuance of current industry conditions; uncertainty regarding the market price for gold, silver and copper; uncertainty of conducting operations under a foreign regime; uncertainty of obtaining all applicable regulatory approvals and related timing matters; Sandspring’s dependence on 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.*