



TSX-V: SSP
OTCQX: SSPXF

Sandspring Resources announces Toroparu Project Update, Hydropower Progress and Colombian Project Update

September 11, 2018 – Denver, Colorado and Vancouver, British Columbia – Sandspring Resources Ltd. (TSX-V: SSP, OTCQX: SSPXF) (the “Company”) is pleased to provide a corporate update on its current and future activities.

2017 – 2018 Exploration Program: The Company completed the 2017 – 2018 Exploration Program in April of 2018. The focus of the program was to obtain further information on the Sona Hill and Wynamu Hill prospects. Initial drilling results were reported in January of 2018. See Press Release dated January 26, 2018. The remainder of the drilling program focused on infill drilling at Sona Hill and a final resource estimate for Sona Hill and the Toroparu Project are in progress.

Toroparu Project Re-scoping:

As previously reported, the Company has been working with its consultant, SRK Consulting (USA) (“SRK”) on evaluating the best way to integrate the Sona Hill deposit into the operating plan for development of Toroparu.¹ While positive drill intercepts from the 2015, 2016 and spring 2017 drilling at Sona Hill and Wynamu Hill indicated the potential for an expansion of the saprolite start-up modeled in the 2013 PFS for Toroparu,² the final analysis did not support this alternative.

However, the addition of the higher-grade gold mineralization contained in both saprolite and hard rock at Sona Hill into a revised production schedule does provide the basis for a smaller scale project start-up followed by an expansion phase later in the mine life. Sandspring and its Technical Team are evaluating this alternative through re-scoping the project development plan for Toroparu to focus on an initial phase of gold only production at a rate of less than one half that defined in the 2013 PFS. Higher grade gold-only mineralization from near surface mineralization at Sona Hill, the gold-only mineralization from the SE Zone satellite deposit and select areas of gold-only mineralization in the shallow portions of the Toroparu main pit area provide the basis for the smaller scale gold-only start up with a potentially lower initial capital cost. It must be noted that the technical feasibility and economic validity of the smaller scale project start-up are not supported at this time by a Preliminary Economic Assessment, a Prefeasibility Study or a Feasibility study.

Technical Team Expanded:

As the Company has previously announced, Gran Colombia Gold Corp., has become its single largest shareholder.³ Certain members of Gran Colombia’s management and technical team designed, built and operated the Choco Mine owned by Bolivar Gold in Venezuela before its sale to Gold Fields Ltd. in 2006. Gran Colombia personnel have been made available to assist the Company and have joined SRK in the analysis of the requirements and associated capital cost reductions for the re-scoping of the project.

¹ See Press Release dated September 17, 2017

² Id.

³ See Press Release dated July 26, 2018

Progress Summary:

Rich Munson, CEO stated: “The higher grade Sona Hill saprolite and fresh rock mineralized material has opened up a new pathway that may allow a startup of the project in the current gold market that can focus on a smaller production profile offering reasonably attractive economics while still preserving the opportunity to move the Project back to its large scale development potential. While we have not completed a Preliminary Economic Assessment, a Prefeasibility Study or a Feasibility study at this point the expansion of the Technical Team brings significant additional experience and expertise to this evaluation effort and will greatly facilitate its implementation.”

Kurupung Hydroelectric Project

Sandspring is also pleased to announce that the Government of Guyana has completed its review of the Company’s work to date on the Kurupung River Hydroelectric Project located at Kumurau Falls, approximately 50 km southwest of the Toroparu Gold Project. Following the review, the Company and Government signed on August 6 2018 an Amended and Restated Memorandum of Understanding granting the Company exclusive rights for the development of the hydroelectric through December 31, 2021.

“The run-of-river hydroelectric project at Kumurau Falls is an exciting add-on for the large-scale phase of the development of the Toroparu project,” said Rich Munson.

Chicharrón Gold/Silver Project, Colombia

The 386-hectare Chicharrón Project lies within Gran Colombia Gold’s Segovia mining title in the Segovia-Remedios Mining District of Colombia. The initial focus of work on the Chicharrón Project is the Guía Antigua Mine area which is located approximately 4.4 km east of Gran Colombia’s Segovia operations near the town of Segovia. The Chicharrón Project was acquired from Gran Colombia Gold in July 2018 with details press released on July 26, 2018 (available on www.sandpringresources.com and www.sedar.com). A technical report, dated May 24, 2018, and entitled *NI 43-101 Technical Report for the Chicharron Gold-Silver Project, Segovia, Department of Antioquia, Colombia*” by Dr. Stewart D. Redwood has been posted to the Company’s documents on www.sedar.com.

The Guía Antigua Mine produced historically from a NS oriented high-grade vein, with a strike of N10⁰E and ~35⁰ W dip. High grade silver and gold mineralization was mined primarily along the contact between a dark aphanitic dyke hanging wall and highly weathered foliated metamorphic footwall. The vein is formed primarily of quartz with some carbonate with varying dip. The vein is over 1-meter-wide in areas and is shallowly dipping. At the northern end of the deposit, the vein changes to 045⁰ E strike and 35⁰NW dip and is truncated by a 3m wide shear zone running parallel to the aphanitic dyke (45-50⁰E strike & 30-35⁰NW dip). Deformation of the vein near the shear zone suggests dextral strike-slip movement on the fault. Historical mining conducted over approximately 150m was conducted by artisanal mining methods primarily on a single level. Initial development of a second deeper level along the contact with the shear zone was not completed.

The Guía Antigua vein can be followed for 300-400 meters to the south with the same strike and dip but not north of the faulted shear zone. Several artisanal mines within the Chicharrón Project area, including Chicharrón 1 and 2, Laguna Azul, Rafa, Chenge, YY and NN, have exploited the vein south of the Guía Antigua historical mine.

The Guía Antigua vein has been mined for many years by artisanal miners. Production by the last group to mine the deposit, Sociedad Guías Gold, from Nov. 2014 to Oct. 2016, was reported to be 157,117 oz silver and 2,347 oz gold from 12,069 tonnes and an average grade of 404.9 g/t silver and 6.05 g/t gold.

In April 2018, the Gran Colombia exploration team carried out systematic check channel sampling of the Guía Antigua mine, collecting 155 samples in 32 representative vertical channels. The results are shown below:

Column	# Assays	Min (g/t)	Max (g/t)	Mean (g/t)	Median (g/t)
AG	85	0.15	10,381.0	140.9	37.8
AU	115	0.01	133.73	5.46	2.55

SRK has worked extensively on Gran Colombia’s Segovia Mining District operations including completing the NI 43-101 Technical Prefeasibility Study, dated May 10, 2018, for Gran Colombia’s Segovia Project. Sandspring has been working with the SRK team in the Company’s initial evaluation of the Chicharrón Project and engaged them to conduct a geologic study of the Guía Antigua vein after closing the acquisition of the Chicharrón Project. SRK’s initial recommendations include a 10-20 hole diamond drilling program to an average depth of approximately 100m from surface in areas extending the strike length to the northeast and southwest of the historical underground workings and across the faulted zone to the north. A portion of the net proceeds from the recently completed private placement will be used to complete this drilling program.

The purpose of this drilling campaign is to explore for extensions and/or offsets of the Guía Antigua or adjacent veins, to better understand the geological and structural controls of mineralization, and to provide initial data for development of a mineral inventory and potential small-scale mining operations.⁴

Rich Munson, CEO, commented: “As we noted in our earlier announcement, Chicharrón is a very unique opportunity for Sandspring to diversify its project portfolio. The historically mined high-grade mineralization at Guía Antigua, existing operating license under Gran Colombia’s mining title, and Gran Colombia’s vested interest as Sandspring’s largest shareholder, all combine to make the Chicharrón Project a unique opportunity for development for Sandspring.”

Toroparu and SE Zone 2018 Mineral Resource Estimate Update – SRK Comments

The Toroparu and SE Zone Mineral Resource was independently estimated by SRK and reported in the “NI 43-101 Technical Report Prefeasibility Study Toroparu Gold Project Upper Puruni River Area, Guyana Effective Date: May 8, 2013 Report Date: May 24, 2013”.

During 2018, SRK reviewed various aspects of the 2011-2013 resource model construction for the Toroparu Project and subsequently developed refinements for grade modeling and confidence classification. Modeling refinements consist of the utilization of a longer composite length for gold and copper (1.5 m) and a lower estimated nugget (kriging parameter for grade assignment) for gold. Confidence classification refinements consists of smoothing the classifications based on block estimation attributes with broader geological and data considerations within the Northwest portion of the Main zone and modifications to the SE Zone. For gold, the majority of the Main Zone remains as assessed in 2012 and reported in 2013. Gold assays were capped at 15 and 8 g/t for fresh and saprolite rock respectively. For copper, in 2018, a separate model was developed in Leapfrog Geo® 3D modeling software utilizing geologic information providing an independent control for grade estimation. The silver resource was estimated as an associated value as in 2015, utilizing all drilling noted in 2013, augmented with 15,314 silver assays with an average length of 2.3 m. Silver assays were capped at 25 g/t and 8 g/t for the Main and SE Zones, respectively, and composited into 2.5 m intervals. Rock type classification and bulk densities, 2.75 and 1.88 for fresh and oxidized saprolite respectively, are unchanged from 2013. The 2018 model, incorporating all refinements and was

⁴ No exploration drilling has been conducted in the Chicharron project area nor are there any mineral resource estimates that comply with Canadian Institute of Mining standards required under Canadian NI 43-101 Standards for Disclosure of Mining Projects. See the Technical Report dated May 14, 2018, entitled *NI 43-101 Technical Report for the Chicharron Gold-Silver Project, Segovia, Department of Antioquia, Colombia*” by Dr. Stewart D. Redwood.

evaluated against a newly constructed optimized pit shell, provides an incremental 2% increase in contained measured and indicated Au ounces at a 0.3 Au (g/t) cut-off. The 2018 revised model, while similar in aggregate to that constructed in 2012, better represents the local variation of gold for mine planning purposes and is in general a better representation of the copper distribution.

Sona Hill 2018 Mineral Resource Estimate – SRK Comments

The Sona Hill Mineral Resource Estimate and the deposit geology were initially presented by Sandspring in a February 23, 2017 Press Release. Additional targeted in-fill drilling was completed in late 2017 and early 2018, with 75 holes for an additional 9,377 m of drilling, and a 71% increase in the assay database. The Sona Hill drill geologic model was developed in Leapfrog Geo® 3D modeling software utilizing geologic information from the 184 drillholes. The 2018 MRE is based on data from 21,963 m of diamond drill core recovered from the 184 deposit specific boreholes drilled to date.

The Sona Hill Mineral Resource Estimate was independently estimated by 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 6 m 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 drill core assay average length was 1.5 m and the gold assays were composited to 1.5 m intervals within the mineralized wireframes subsequent to capping at 35 g/t Au. A block model was constructed in Datamine Studio3® mining software package (“Datamine”), using a 10 m x 10 m x 5 m standard block size and sub-blocking with a variable “z” value at the fresh rock-saprolite surface.

Variogram analyses on 1.5 m composites was undertaken with reasonable continuity results. An anisotropy model was constructed using the point data of structural vein orientations. The average interpolated orientation is azimuth 248° with a dip of 41° NW. Gold grades were assigned using ordinary kriging constrained within the mineralized shape utilizing the interpolated orientations. 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 three composites, with a maximum of two composites from any one hole for Measured and Indicated; with search distances of 8 m x 12 m x 6 m for Measured, and 24 m x 36 m x 18 m for Indicated. Inferred classification used a minimum of one composite with a search distance of 80 m x 120 m x 60 m. The classification was post processed so that blocks within 10 m of a sample (essentially intersected) estimated with the second and third search volumes are considered measured and indicated respectively. The confidence classifications were examined, and modifications were made to minimize the existence of spots of, for example, blocks classified mathematically as Inferred that are encompassed by those classified as Indicated, within areas with reasonable geological continuity and sufficient sampling.

The quality, density and distribution of the sample data, subsequent to the targeted in-fill drilling, along with the representative structural vein orientation data has provided a satisfactory basis for resource modeling and mine planning purposes at the feasibility level.

The statistical analysis, geologic modelling and resource estimation were prepared by Frank Daviess, RM SME and Allan Moran, AIPG CPG, SRK Associates, 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 (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 Wheaton Precious Metals (formerly known as Silver Wheaton) entered into a gold and silver purchase agreement for the Toroparu Project in 2013. Sandspring also holds a 100% interest in the Chicharrón Gold Project located near Segovia, Antioquia Department, Colombia. Additional information is available at www.sandspringresources.com or by email at info@sandspringresources.com.

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