

Sandspring Resources to Acquire Interest in Silver-Gold Project in the Segovia-Remedios Mining District of Antioquia and Announces Private Placement

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DENVER and VANCOUVER, June 12, 2018 - [Sandspring Resources Ltd.](#) (TSX-V:SSP) (OTCQX:SSPXF) (the "Company") is pleased to announce that it has entered into letters of intent with GA Mine Corp. ("GA Mine") and [Gran Colombia Gold Corp.](#), and its subsidiary Gran Colombia Gold Segovia, S.A. (collectively, "Gran Colombia"), pursuant to which the Company proposes to acquire (the "Transaction") all exploration, development and mining rights to a 386 hectare area (the "Project Area") in the Segovia-Remedios mining district of Antioquia, Colombia, that includes the historic silver – gold producing Guia Antigua Mine (the "Project").

The Project Area lies within a mining title in the Segovia area that has been and will continue to be held by Gran Colombia. However, the Project Area lies outside of the areas of Gran Colombia's principal mining operations in the Segovia area. The Guia Antigua vein that is the current focus of the Project appears to be similar in geology, structure, vein style and mineralogy to other veins in the Segovia mining district.

The Project Area is presently held through an unincorporated joint venture arrangement (the "Joint Venture") between Industrias Argentum, S.A.S. ("Argentum"), a Colombian company, and an affiliate of Gran Colombia, Gran Colombia Gold Segovia, S.A. GA Mine, through Arcadian Mineral Corp. ("Arcadian"), has the right to acquire the 70% interest in the Joint Venture held by Argentum. The 30% interest held by Gran Colombia is a "carried interest" in that Argentum, as the operator of the Joint Venture, is responsible for exploration, development, mining, processing and commercialization activities, at its sole expense, and Argentum and Gran Colombia participate in the results on a 70% / 30% basis, respectively.

Pursuant to the first letter of intent between the Company and GA Mine, the Company intends to acquire all of the share capital of GA Mine and its subsidiary Arcadian in order to acquire the 70% interest in the Joint Venture currently held by Argentum. In consideration for the acquisition of GA Mine, the Company will issue 21,000,000 common shares to GA Mine and make a cash payment of US\$1,100,000 to GA Mine on closing of the Transaction. GA Mine will also have the right to nominate a member of the Board of Directors of the Company upon completion of the Transaction.

Pursuant to the second letter of intent between the Company and Gran Colombia, the Company intends to acquire the 30% carried interest of Gran Colombia in the Joint Venture. In consideration for the acquisition of the Gran Colombia carried interest, the Company is required to issue 15,000,000 common shares on closing of the Transaction. Gran Colombia will further subscribe for and purchase, on closing of the Transaction, Cdn\$4.0 million dollars of the units to be offered by the Company as described below.

The Company is not obligated to complete either transaction unless upon completion of the Transaction it acquires one-hundred percent (100%) control of the Project / Project Area which is commonly referred to as the "Chicharron Project".

The Project is the subject of a Technical Report (the "Chicharron Report"), with an effective date of 14 May 2018, entitled *NI 43-101 Technical Report for the Chicharron Gold-Silver Project, Segovia, Department of Antioquia, Colombia* by Dr. Stewart D. Redwood. The Chicharron Report notes that historical mining operations at the Guia Antigua Mine, located in the Project Area, focused on the Guia Antigua gold-silver vein. As also noted in the Chicharron Report, 1,056 channel samples were collected by the previous operator of the Guia Antigua Mine between 2011 and 2016 and reported average grades of 521.6 g/t of silver and 8.08 g/t of gold however the original data is not available and the data cannot be verified.

The Chicharron Report also notes that in April 2018, Gran Colombia carried out systematic check channel sampling of the Guia Antigua mine, with 155 samples in 32 vertical channels. These confirm high grades with individual sample values up to 133.7 g/t gold and 10,381 g/t silver. These are accompanied by up to 10.31% lead, 3.58% zinc and 1.48% arsenic, a potentially deleterious element. The highest length-weighted channel sample grade for gold is 60.1 g/t and 1,392.1 g/t silver over 2.04 m, and for silver is 17.2 g/t gold and 3,635.0 g/t silver over 0.60 m. The length-weighted average of all channel samples is 7.6 g/t gold and 335.1 g/t silver.

The Chicharron Report concludes that the Chicharron Project warrants further exploration with a suggested program to test the continuation of the Guia Antigua vein at depth and along strike.

The Chicharron Report notes that there has not been any drilling at the Chicharron Project and that there is no declared resource.

Rich Munson, President and CEO of the Company, stated, "This is a unique opportunity to acquire a silver-gold project in the Segovia region of Colombia. The Chicharron project diversifies Sandspring opportunities and creates the potential to provide revenue as we continue to advance the Toroparu Project in Guyana. While the acquisition of the 70% interest in the Chicharron Project currently held by Argentum was an attractive opportunity, the additional acquisition of the carried interest held by Gran Colombia significantly enhances the potential financial returns from future silver-gold mining operations at the Chicharron Project. We are very pleased that Gran Colombia, with its extensive experience and expertise in the gold sector, has elected to become a shareholder of Sandspring upon the completion of the Transaction and appoint a member of the Board of Directors of the Company to provide guidance in our efforts to advance the Chicharron Project and develop Toroparu."

The Company also announces that it intends to conduct a non-brokered private placement of up to 36,000,000 units (each, a "Unit") at a price Cdn\$0.25 per Unit. Each "Unit" consists of one common share and one share purchase warrant entitling the holder to purchase one additional share at Cdn\$0.40 for a period of sixty (60) months. The Company expects that insiders will subscribe for a portion of the private placement. The Company anticipates paying finders' fees to certain eligible parties who introduce subscribers to the private placement.

The Company intends to use the proceeds of the private placement to provide the working capital needed to complete the Transaction (approximately Cdn\$1.5 million), to develop and advance an exploration program for the Chicharron Project (approximately Cdn\$500,000), maintenance of property position for the Chicharron Project (Cdn \$650,000), complete the final feasibility study for both the Toroparu Project (approximately Cdn\$2.25 million) and the run-of-river hydroelectric project on the Kurupung River approximately 50 kilometers southwest of Toroparu (approximately Cdn\$1.25 million), local partner payment and land rentals (approximately Cdn\$1.5 million), and for general corporate and working capital purposes (approximately Cdn\$1.2 million).

Completion of the Transaction is subject to a number of conditions, including the completion of due diligence, the negotiation of definitive documentation, completion of the private placement and the approval of the TSX Venture Exchange. The Transaction cannot be completed until these conditions are satisfied, and there can be no assurance that the Transaction will be completed in a timely fashion, or at all. All securities issued in connection with the Transaction and the private placement will be subject to a four-month-and-one-day statutory hold period.

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. Additional information is available at www.sandspringresources.com or by email at info@sandspringresources.com.

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