

SANDSTORM GOLD ANNOUNCES COMMERCIAL PRODUCTION AT SILVERCREST'S SANTA ELENA MINE

Vancouver, British Columbia, July 14, 2011

Sandstorm Gold Ltd. ("Sandstorm") (TSX-V: SSL) is pleased to announce the commencement of commercial production at SilverCrest Mines Inc.'s ("SilverCrest") (TSX-V: SVL) Santa Elena Mine ("Santa Elena"), located in Sonora, Mexico. Under the Gold Purchase Agreement with SilverCrest, Sandstorm is entitled to purchase 20% of the life of mine gold produced from Santa Elena at a per ounce price equal to the lesser of US\$350 and the then prevailing market price.

SANTA ELENA MINE STATUS HIGHLIGHTS:

- Gold Production for April 2011, May 2011 and June 2011 totaled 5,476 ounces
- Combined 90-day average throughput rate of 2,737 tonnes-per-day
- Gold is now being routinely produced and sold to customers

"Commercial production at Santa Elena is an exciting milestone for both SilverCrest and Sandstorm," said Sandstorm President & CEO Nolan Watson. "I want to take this opportunity to congratulate the entire SilverCrest team."

SilverCrest is working on a number of initiatives to increase the production capacity and the resource base. Recently, SilverCrest filed a NI 43-101 technical report outlining an expansion project that includes the construction of a new processing facility that would increase the daily throughput at Santa Elena to 3,500 tonnes per day.

For more information on the Santa Elena mine, please visit the SilverCrest website at <http://www.silvercrestmines.com>.

ABOUT SANDSTORM GOLD

Sandstorm Gold Ltd. is a growth focused resource based company that seeks to complete gold purchase agreements with companies that have advanced stage development projects or operating mines. A gold purchase agreement involves Sandstorm Gold making an upfront cash payment to its partners and in exchange, Sandstorm Gold receives the right to purchase a percentage of the gold produced for the life of the mine, at a fixed price per ounce. Sandstorm helps other companies in the resource industry grow their business, while acquiring attractive assets in the process.

Sandstorm Gold is focused on low cost operations with excellent exploration potential and strong management teams. Sandstorm Gold has completed gold purchase agreements with Luna Gold Corp., SilverCrest Mines Inc., Santa Fe Gold Corp., Rambler Metals and Mining plc, Brigus Gold Corp. Metanor Resources Inc. and Donner Metals Ltd. For more information visit: <http://www.sandstormgold.com>.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for the statements of historical fact contained herein, the information presented constitutes "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information is based on reasonable assumptions that have been made by Sandstorm as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Sandstorm to be materially different from those expressed or implied by the forward-looking information, including but not limited to: the impact of general business and economic conditions; the absence of control over mining operations from which Sandstorm will purchase gold and risks related to those mining operations, including risks related to international operations, government and environmental regulation, actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined; problems inherent to the marketability of minerals; industry conditions, including fluctuations in the price of metals, fluctuations in

foreign exchange rates and fluctuations in interest rates; stock market volatility; competition; as well as those factors discussed in the section entitled "Risks to Sandstorm" in Sandstorm's annual report for the financial year ended December 31, 2010. Although Sandstorm has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Sandstorm does not undertake to update any forward-looking information that is contained or incorporated by reference herein, except in accordance with applicable securities laws. Sandstorm does not provide any representation as to its comparability with other companies in its industry.

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