

WHISTLEBLOWER POLICY

1 SCOPE OF THE WHISTLEBLOWER POLICY

The Audit Committee (the “Audit Committee”) of the Board of Directors of Sandstorm Gold Ltd. (“Sandstorm” or the “Company”) is responsible under Canadian securities laws for the integrity of the financial reporting of the Company and for the system of internal controls, the audit process and monitoring compliance with the financial reporting laws applicable to the Company and to all other corporations, trusts, partnerships or other entities which may be established by the Company (the “Other Entities”). The integrity of the financial information of the Company is of paramount importance to the Audit Committee and to the Board of Directors.

Multilateral Instrument 52-110 “Audit Committee” (“52-110”) has outlined certain aspects of Audit Committee responsibility and the Audit Committee understands the importance of the responsibilities described in 52-110 and intends to be in compliance with such responsibilities. One such responsibility relates to the implementation of procedures for addressing complaints regarding questionable accounting or auditing matters.

This document outlines the procedure which the Committee is establishing for the confidential, anonymous submission by employees of the Company and the Other Entities of any concerns which applicable individuals may have regarding questionable accounting or auditing matters or violations of the Company’s Code of Business Conduct and Ethics.

Applicable individuals are encouraged to submit all good faith concerns and complaints in respect of the accuracy and integrity of the Company’s accounting, auditing, financial reporting and ethics, without fear of retaliation of any kind. If an applicable individual has any concerns about accounting, audit, internal controls, financial reporting or ethical matters which he or she considers to be questionable, incorrect, misleading or fraudulent, the applicable individual is urged to come forward with any such information, complaints or concerns, without regard to the position of the person or persons responsible for the subject matter of the relevant complaint or concern. The applicable individual may report the matter to the appropriate supervisor or, alternatively, to the Chairman of the Audit Committee

2 PROCEDURE FOR REPORTING CONCERNS

Individuals who have become aware of violations have several ways of reporting:

- A** Sandstorm’s confidential, anonymous Whistleblower hotline available 24 hours a day, 7 days a week, by calling 1(855) 231-8419 within North America.
- B** Send a confidential email to whistleblower@sandstormltd.com
- C** In writing to the address noted below, in a sealed envelope labeled “To be opened by the Audit Committee only”:

Sandstorm Gold Ltd.
Attn: Chairman/ Audit Committee
Suite 1400 – 400 Burrard Street
Vancouver, BC V6C 3A6

The applicable individual should describe his or her concern including sufficient information to allow the Audit Committee to understand and review the concern. If the applicable individual wishes to remain anonymous, the communication should clearly indicate this wish for anonymity.

If the applicable individual wishes to discuss any matter with the Audit Committee, this request should be indicated in the submission. In order to facilitate such a discussion, the applicable individual may include a telephone number at which he or she can be contacted. Any such envelopes received by the Company or Other Entities will be forwarded promptly and unopened to the Chairman of the Audit Committee.

3 HANDLING OF CONCERNS RAISED

Promptly following the receipt of any complaints submitted to it, the Audit Committee will investigate each complaint and take appropriate corrective actions.

4 INVESTIGATIONS

The Audit Committee has the authority to:

- A** conduct any investigation which it considers appropriate, and has direct access to the external auditor of the Company, as well as officers and employees of the Company and Other Entities, as applicable; and
- B** retain, at the Company's expense, special legal, accounting or such other advisors, consultants or experts it deems necessary in the performance of its duties.

In conducting any investigation, the Audit Committee shall use reasonable efforts to protect the anonymity of the applicable individual.

5 RECORDS

The Audit Committee will retain as part of its records, any complaints or concerns for a period of no less than seven years. The Audit Committee will keep a written record of all such reports or inquiries and make quarterly reports on any ongoing investigation which will include steps taken to satisfactorily address each complaint.

6 EMPLOYEE PROTECTION

All employees are assured that no retaliation of any kind is permitted against the applicable individual for complaints or concerns made in good faith. No employee will be adversely affected because the employee refuses to carry out a directive which, in fact, constitutes corporate fraud, or is a violation of federal or provincial law.

— QUESTIONS ABOUT THIS POLICY

For a current statement of Corporate Governance Practices, please refer to the most current Sandstorm Management Information Circular available on SEDAR at www.sedar.com.

Questions regarding this Policy may be directed to the Chief Financial Officer or the Chairman of the Audit Committee.

APPROVED by the Audit Committee of **SANDSTORM GOLD LTD.** on June 20, 2012

ADOPTED AND APPROVED by the Board of Directors of **SANDSTORM GOLD LTD.** on June 20, 2012