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ANNUAL INFORMATION STATEMENT FOR US SHAREHOLDERS

Sandstorm Gold Ltd. (“Sandstorm”) has not made, and does not expect to make, a determination as to whether it is a passive foreign investment company (PFIC) for U.S. tax purposes for any taxable year, including the year ended December 31, 2016. A U.S. Shareholder that wants to make a protective qualified electing fund (a “QEF”) election under the PFIC rules can use the information provided below to make a QEF election. The determination as to whether any corporation was, or will be, a PFIC for a particular year end depends in part on the application of complex U.S. federal income tax statutes, regulations, and the interpretation thereof. In addition, whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year, and as a result, the PFIC status of Sandstorm for 2016 and any future tax year is subject to a complex analysis and therefore cannot be predicated with certainty.

The attached PFIC Annual Information Statement is being made available to U.S. Shareholders who have made or intend to make an election to treat Sandstorm as a QEF and does not constitute tax advice. We urge U.S. Shareholders to consult with their own tax advisor to determine whether they are subject to U.S. federal income tax, and if so, to determine the consequences of holding Sandstorm securities if Sandstorm is treated as PFIC for any taxable year in which they hold their securities, and whether they are eligible to make any applicable elections. The attached PFIC Annual Information Statement contains information needed by U.S. Shareholders to prepare their U.S. federal income tax returns if they make a QEF election.



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1. The first and last days of the fiscal year of Sandstorm Gold Limited (“Sandstorm”) to which this information applies:

First Day: January 1, 2016
Last Day: December 31, 2016

2. Ordinary earnings and net capital gains of Sandstorm for the taxable year specified in item 1 are as follows:

Share Period	Ordinary Earnings per Share	Net Capital Gains per Share
1/1/2016-1/31/2016	\$0.0022	Nil
2/1/2016-6/30/2016	\$0.0198	Nil
7/1/2016-12/31/2016	\$0.0344	Nil

3. Cash and fair market value of other property distributed or deemed distributed by Sandstorm for the taxable year specified in item 1 are:

Cash: Nil
Fair Market Value of Property: Nil

Sandstorm will permit any shareholder subject to U.S. federal income tax to inspect and copy its permanent books of account, records, and other documents that may be necessary to establish Sandstorm’s ordinary earnings and net capital gains, as computed for U.S. tax purposes, and to verify the computation of the shareholder’s pro-rata share of Sandstorm’s ordinary earnings and net capital gains.

Sandstorm Gold Limited

Erfan Kazemi
Chief Financial Officer