

Policy on Stock Trading and Use of Material Information

— PURPOSE OF THE POLICY

Canadian and United States securities laws prohibit “**insider trading**” and impose restrictions on trading in securities while in possession of material undisclosed information. The rules and procedures outlined in this Policy on Stock Trading and Use of Material Information (the “**Policy**”) have been implemented in order to prevent improper trading in the securities of Sandstorm Gold Ltd. (the “**Company**”) or of companies with which the Company (or one or more of its subsidiaries) has a significant business relationship or with which the Company (or one or more of its subsidiaries) is proposing to enter into a business transaction.

It is the personal responsibility of each Director, officer and employee of the Company and its subsidiaries to ensure that, when they trade or propose to trade in the Company’s securities or the securities of publicly traded companies with which the Company has business dealings, they comply with all applicable insider trading restrictions, including those referred to in this policy.

This Policy is intended to ensure that the Directors, officers and employees of the Company and its subsidiaries act, and are perceived to act, in accordance with applicable laws.

This Policy supplements, and does not replace, applicable securities laws in respect of insider trading.

— INSIDER TRADING AND TIPPING

Any Director, officer or employee of the Company or a subsidiary of the Company who knows of a material fact or material change with respect to the Company or its subsidiaries (“**material information**”) must not:

- 01** trade in the Company’s securities if the material information has not been publicly disclosed; or
- 02** disclose the material information to another person (a “**tippee**”) or, with knowledge of such undisclosed material information, recommend or encourage another person to trade securities of the Company.

The terms “**trade**” or “**trading**” include the purchase and sale of the common shares of the Company and the exercise of stock options and warrants granted by the Company.

The term “**material information**” for the purposes of this Policy is any information relating to the business and affairs of the Company that results in, or would reasonably be expected to result in, a

significant change in the market price or value of the Company's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

Materiality judgments involve taking into account a number of factors which cannot be captured in a simple bright-line standard or test. These include the nature of the information itself, the volatility of the Company's securities and prevailing market conditions. The materiality of a particular event or piece of information varies between companies according to their size, the nature of their operations and many other factors. An event which is "significant" or "major" for a smaller company may not be material to a larger company. A good rule of thumb is that if the information would influence a person's decision to buy or sell securities of the Company, the information is probably material. You should err on the side of caution in such matters. If you are uncertain about whether or not the information is material, you are directed to immediately contact the Chief Financial Officer or the Chief Executive Officer before disclosing it to anyone.

Any trading contrary to the restrictions above will constitute a breach of securities laws and may result in liability for the person involved and the Company. To protect the Company and its staff, the Company's Policy is set forth below.

— TRADING IN SECURITIES AND TIPPING

Blackout Period

You must not trade in securities of the Company during any "**blackout**" period announced by e-mail by the Chief Financial Officer or a designate of the Disclosure Committee (as defined below). No reason for the trading restriction is required to be provided.

If, during a "blackout" period, you, as a Director, officer or employee of the Company or a subsidiary of the Company, wish to be permitted to exercise stock options granted to you under the Company's Stock Option Plan or exercise your outstanding share purchase warrants of the Company you must make written application to the Company's Disclosure Committee (the "**Disclosure Committee**") which has been established pursuant to the Company's **Communications and Corporate Disclosure Policy**. The Disclosure Committee will consider the circumstances under which the application is made and advise you in writing of its decision. If the Disclosure Committee grants you permission to exercise your stock options or warrants during a "blackout" period, you will be prohibited from selling any securities of the Company acquired as a result of such exercise until the "blackout" period has ended.

Employees who are not aware of undisclosed material information may apply to the Chief Financial Officer for approval to trade during a blackout period, which approval may be withheld without providing the employee with the reason for such decision.

Regardless of whether the Company is in a Blackout Period or not, if any officer or Director has an intention of trading shares of the Company, he or she shall consult a member of the Disclosure Committee before executing on any trade.

Material Nonpublic Information

If you, as a Director, officer or employee or person in a "special relationship" (as defined under applicable securities legislation), have actual knowledge of undisclosed material information relating to the Company and its subsidiaries, you must not trade, either directly or indirectly, in securities of the Company until the information is publicly disclosed and a reasonable period of time for its dissemination has passed. Generally, "a reasonable period of time" will be one (1) trading day; however, it may be shorter or longer depending on the market following of the Company. The Chief Financial Officer should be consulted to determine what would be a "reasonable period of time" in the circumstances.

Further, you must not disclose that information and, in particular, must not disclose information with respect to a take over bid, reorganization, amalgamation, merger, arrangement or similar business combination or material acquisition unless the giving of the information is necessary to effect the transaction. If it is necessary to disclose the information, steps must be taken to inform the receiving party of the confidentiality of the information.

If required by applicable securities legislation, you must file all required insider reports or other required reports of trades with the applicable securities commissions within the time periods mandated by securities legislation, such reports to be filed electronically using the System for Electronic Disclosure by Insiders (SEDI).

In addition, rapid buying and selling of the Company's securities is strongly discouraged because of the possible perception of trading on undisclosed material information.

Securities of Other Public Companies

It is important to inform you that the insider trading restrictions generally described in this Policy also apply to trading by Directors, officers and employees of the Company and its subsidiaries in securities of publicly traded companies with which the Company has a significant business relationship or with which the Company is proposing to enter into a business transaction. If, in the performance of your duties, you have knowledge of **undisclosed material information** relating to another publicly traded company, then you are expressly prohibited from trading in securities of that publicly traded company until the material information has been publicly disclosed and a reasonable period of time has elapsed after disclosure to allow the public to evaluate its significance.

As a general guideline, when a transaction with another public company is "imminent", Directors, officers and employees of the Company may not engage in trading of the securities of the other public company.

— LIABILITY

Liability arises for trading securities on the basis of material information which has not been disclosed to the public or for disclosing material information to persons who use it for the purposes of trading or pass it on to others, if the information is material within the meaning of the securities laws. Do not rely on your own judgment as to whether particular information is material as this decision should be referred to the Disclosure Committee established pursuant to the Company's **Communications and Corporate Disclosure Policy**. Information which may be material includes financial results, negotiations concerning contracts with outside parties, possible dispositions or acquisitions of significant assets or other corporations or businesses, results of exploration activities including drill results, financings, important personnel changes, or litigation.

If you fail to observe these corporate policies, the Company may take disciplinary action, which could result in termination of employment or implementation of a probationary period. The Company is also entitled to pursue legal remedies through the courts. If appropriate, the Company will also report the matter to the appropriate regulatory authorities, which may result in a wide range of penalties, including: (a) fines and penal sanctions; (b) civil actions for damages; (c) an accounting to the Company for any benefit or advantage received; and (d) administrative sanctions by securities commissions, such as cease trade orders and removal of exemptions.

If any Director, officer or employee of the Company or a subsidiary of the Company receives a report containing, or becomes privy to, material information, that person will promptly advise the Company's Disclosure Committee, established pursuant to the Company's **Communications and Corporate Disclosure Policy**, and will maintain the confidentiality of such material information and will abide

by the guidelines set forth in detail in the Company's **Communications and Corporate Disclosure Policy**.

Directors and officers are required to acknowledge that they have read this Policy annually. Employees are required to acknowledge that they have read this Policy when they are engaged or when the Policy is introduced or significantly revised.

If you have questions about the interpretation of this Policy, please contact the Chief Financial Officer of the Company.

IMPLEMENTED by the Board of Directors of **SANDSTORM GOLD LTD.**, April 29, 2010.

AMENDED by the Board of Directors of **SANDSTORM GOLD LTD.**, November 4, 2013.