

TAX INSTRUCTION LETTER

**FOR FORMER SHAREHOLDERS OF MARIANA RESOURCES LIMITED
WHO ARE RESIDENT HOLDERS AND
WANT TO FILE A SECTION 85 ELECTION**

**In connection with the
Combination of
Mariana Resources Limited
with
Sandstorm Gold Ltd.**

TO: Former Shareholders of Mariana Resources Limited (“**Mariana**”) who are Resident Holders and wish to file a Section 85 Election

FROM: Sandstorm Gold Ltd. (“**Sandstorm**”)

RE: Obtaining a Section 85 Election in connection with the acquisition by Sandstorm of all of the issued and outstanding common shares of Mariana pursuant to the Scheme of Arrangement (the “**Scheme**”)

This tax instruction letter is provided to those Resident Holders (as defined in the Circular) that wish to make a Section 85 Election (as defined in the Circular) for Canadian federal income tax purposes, and in certain cases, for Québec income tax purposes, in respect of Mariana Shares disposed of under the Scheme for consideration that included Sandstorm Shares.

This tax instruction letter outlines how a Resident Holder may make the Section 85 Election jointly with Sandstorm. If you are not a Resident Holder or you are a Resident Holder who has decided not to file a Section 85 Election, this tax instruction letter is not relevant to you.

The comments made in this tax instruction letter with respect to the income tax consequences of making a Section 85 Election are of a general nature only and are not intended to be, nor should they be construed to be, legal or tax advice to any particular Resident Holder. Furthermore, apart from providing this tax instruction letter and enclosures to Resident Holders for their convenience, neither Sandstorm nor Mariana will provide Resident Holders with any advice on making the Section 85 Election. Accordingly, Resident Holders should consult with their own tax advisors for specific advice in respect of whether or not to make a Section 85 Election, and how to comply with the requirements for making such an election having regard to their own particular circumstances.

Please review this tax instruction letter very carefully and consult your tax advisor as to the proper completion and delivery of the relevant tax election information to Sandstorm (or its representatives), and the applicable filing deadlines. You are referred to CRA Information Circular 76-19R3 and CRA Interpretation Bulletin IT-291R3 for further information respecting the Section 85 Election under the *Income Tax Act* (Canada) (the “**Tax Act**”). In addition and if applicable to you, you are referred to Revenu Québec Interpretation Bulletins IMP.520.1-1/R1, IMP.521.2-1/R1 and IMP.522-1/R1 for information respecting the equivalent election under the *Taxation Act* (Québec) (the “**Québec Act**”). **The comments in this tax instruction letter and in the Circular with respect to such tax elections are provided for general assistance only. The law in this area is complex and contains numerous technical requirements not addressed in this summary.**

Resident Holders are referred to the Scheme Circular dated May 15, 2017 (the “**Circular**”) for further information. Capitalized terms used but not defined in this tax instruction letter have the meanings set out in the Circular. Resident Holders are encouraged to read the Circular in its entirety.

The Scheme

Pursuant to the Scheme, holders of Mariana Shares (“**Mariana Shareholders**”) received 28.75 pence in cash and 0.2573 of a common share of Sandstorm (“**Sandstorm Share**”) in exchange for each common share of Mariana (“**Mariana Share**”) exchanged.

Resident Holders and the Section 85 Election

A “Resident Holder” is defined in the Scheme. In general, a Resident Holder is a Holder who is resident or deemed to be resident in Canada for purposes of the Tax Act. A Holder is defined in the Circular to be a Mariana Shareholder who, for purposes of the Tax Act, deals at arm’s length with Mariana and Sandstorm, is not affiliated with Mariana or Sandstorm, and holds the Mariana shares and the Sandstorm shares as capital property.

A Resident Holder whose Mariana Shares were exchanged for cash and Sandstorm Shares pursuant to the Scheme is entitled to make a Section 85 Election jointly with Sandstorm and may thereby defer all or a portion of any gain that might otherwise arise on the disposition of Mariana Shares as a consequence of the Scheme. In order to obtain a full or partial deferral, a Resident Holder will be required to make a Section 85 Election under the Tax Act and, depending on the particular Resident Holder’s circumstances, may also be required to make a joint provincial tax election under the Québec Act. The effect and procedure for making a Section 85 Election is set out herein and is generally described under the heading “Part Five: Taxation – 3. Canadian taxation” in the Circular.

Under the terms of the Scheme, Sandstorm has agreed to execute the necessary joint tax election form(s) for making the Section 85 Election for a Resident Holder from whom correct and complete tax election information (the “**Section 85 Election Information**”) is received by Sandstorm (or an appointed representative) within 120 days after the Effective Date (the “**Tax Election Deadline**”) and to deliver a copy of the executed Section 85 Election by email to the Resident Holder to the email address provided within 60 days after the Tax Election Deadline.

Resident Holders should review their own particular situation and consult with their tax advisors before making a Section 85 Election under the Tax Act (and a joint tax election under the Québec Act, if applicable).

Summary of what a Resident Holder needs to do to file a Section 85 Election

1. Submit your Section 85 Election Information using the attached Tax Election Questionnaire to Sandstorm so that it is received on or before the Tax Election Deadline. Your information may be submitted in paper format or by e-mail. For help in submitting the required information, please refer to the following pages of this tax instruction letter.
2. Your Section 85 Election(s) will be compiled based solely on the Section 85 Election Information you submit. It is your responsibility to ensure the information provided is in compliance with the requirements imposed under the Tax Act (or the Québec Act, if applicable) to make a valid joint election. Sandstorm will send two electronic copies of the completed Section 85 Election(s) to you by email within 60 days after the Tax

Election Deadline. If you do not receive a Section 85 Election, it is your responsibility to contact the hotline noted below.

3. Review the Section 85 Election(s) that you receive with your own tax advisor to ensure that you agree with the content, calculation and other disclosures. If you do not agree, immediately contact the hotline noted below. Do not make changes to a Section 85 Election that has been executed by Sandstorm.
4. If you and your tax advisor are satisfied that the Section 85 Election form(s) is accurate and complete, sign and date both copies of the Section 85 Election form(s) in the area marked “Signature of Transferor, of Authorized Officer or Authorized Person” at the bottom of page 3 of the Section 85 Election form (form T2057 or T2058) and, if applicable, in the area marked “Signature of transferor or authorized signee” at the bottom of page 4 of the Québec tax election form (form TP-518-V or TP-529-V).
5. File one copy of the signed Section 85 Election(s) with the tax authorities immediately. Page 6 of this tax instruction letter provides details on where to file your Section 85 Election(s). Retain one copy of the Section 85 Election(s) for your records.
6. Report the disposition of your Mariana Shares on your tax return for your taxation year in which the disposition took place. The proceeds of disposition should be equal to the “agreed amount” on page 3 of the Section 85 Election form and, if applicable, the Québec tax election form. For future reference, the tax cost of the Sandstorm Shares acquired on the exchange is generally this “elected amount”, less the amount of any cash received subject to certain provisions in the Tax Act.

If you require further assistance, please contact the hotline below:

604-646-6363 (within the Greater Vancouver Area)
1-877-310-4299 (outside the Greater Vancouver Area)

We recommend you consult with your tax advisor for specific tax advice in respect of the Section 85 Election and related tax matters.

How to Submit Section 85 Election Information

Each Resident Holder that wishes to make a Section 85 Election must submit their Section 85 Election Information using the attached questionnaire (the “**Questionnaire**”).

Resident Holders wishing to make a Section 85 Election will be required to answer a number of questions on a six page Questionnaire. A copy of the Questionnaire is attached as Appendix A to this tax instruction letter.

Resident Holders that have completed the Questionnaire must either e-mail a copy to Sandstorm at marianataxelection@kpmg.ca or send a copy to Sandstorm at the following address:

Sandstorm Gold Ltd. – Mariana Tax Election
c/o KPMG LLP
PO Box 10426, Pacific Centre
777 Dunsmuir Street
Vancouver, BC V7Y 1K3

Sandstorm must receive a copy of the Questionnaire on or before the Tax Election Deadline. Sandstorm will not verify the accuracy of any information provided by or on behalf of any Resident Holder.

Deadline for Submitting Section 85 Election Information to Sandstorm

The Section 85 Election process is time sensitive. Sandstorm has agreed to make a Section 85 Election with a Resident Holder from whom correct and complete Section 85 Election Information is received by Sandstorm by the Tax Election Deadline. The Tax Election Deadline is 120 days after the Effective Date.

If the Section 85 Election Information for a Resident Holder is not received by Sandstorm by the Tax Election Deadline and in accordance with the procedures set out in this tax instruction letter, Sandstorm will have no obligation to make a Section 85 Election with such Resident Holder and therefore such Resident Holder may not benefit from a full or partial deferral pursuant to the provisions of section 85 of the Tax Act and, if applicable, the equivalent provisions of the Québec Act.

In its sole discretion, Sandstorm or any successor corporation may choose to make a Section 85 Election with a Resident Holder from whom it receives Section 85 Election Information after the Tax Election Deadline, but will have no obligation to do so.

Execution and Delivery of a Section 85 Election by Sandstorm

In order to make a valid Section 85 Election, the applicable Section 85 Election form(s) must be signed and properly completed with the necessary information, including the number of Mariana Shares exchanged, the cash amount and number of Sandstorm Shares received by the Resident Holder, and the applicable “agreed amount” for the purposes of such tax election. Sandstorm will only sign a Section 85 Election form for which complete and accurate information has been submitted by a Resident Holder within the time and manner specified herein. Sandstorm has no responsibility to verify the information provided. Sandstorm will not execute a Section 85 Election form that does not comply with the provisions of the Tax Act (or any applicable provincial income tax law).

Sandstorm will forward two copies of the executed Section 85 Election form(s) by email to the Resident Holder to the email address provided within 60 days after the Tax Election Deadline.

None of Mariana, Sandstorm, the Depositary nor any successor corporation will be responsible for the proper completion of any Section 85 Election form nor, except for Sandstorm’s obligation to sign and deliver a completed Section 85 Election form for which it received Section 85 Election Information on or before the Tax Election Deadline, for any taxes, interest or penalties arising as a result of the failure of an

Resident Holder to complete and file such Section 85 Election form properly or timely in the form and manner prescribed by the Tax Act (and the Québec Act, if applicable).

Filing a Section 85 Election with the Tax Authorities

Generally, in order for a Section 85 Election to be accepted by the CRA (and Revenu Québec, if applicable) without an Resident Holder being liable for a late filing penalty, the completed Section 85 Election must be filed with the CRA (and Revenu Québec, if applicable) on or before the date that is the earliest of the day by which either Sandstorm or the Resident Holder is required to file an income tax return for the taxation year in which the Scheme occurred (“**Filing Deadline**”). Sandstorm’s 2017 taxation year is scheduled to end on December 31, 2017, although its taxation year could end sooner as a result of an event such as an amalgamation, and it is required to file an income tax return for a particular taxation year six months after such taxation year-end. As it is uncertain whether Sandstorm will enter into any transactions which could cause its 2017 taxation year to end before December 31, 2017, Resident Holders that wish to make the Section 85 Election are urged to file such election with the CRA (and Revenu Québec, if applicable) as soon as possible. Furthermore, Resident Holder is urged to consult the Resident Holder’s own tax advisor as soon as possible respecting the Section 85 Election and the Resident Holder’s applicable Filing Deadline. However, regardless of the Resident Holder’s Filing Deadline, complete and accurate Section 85 Election Information must be received by Sandstorm by the Tax Election Deadline and in accordance with the procedures set out in this tax instruction letter.

The Section 85 Election should be filed with the applicable CRA Tax Centre. Information on Tax Centres can be found on the CRA website: <http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html>.

For a Resident Holder that is a trust, the applicable Tax Centre is the tax office serving the area where the Resident Holder is located. Information on Tax Centres for trusts can be found on the CRA website: <http://www.cra-arc.gc.ca/tx/trsts/t3trtn/whr-eng.html>.

For a Resident Holder that is a corporation or an individual, the CRA has designated specific Tax Centres for all corporations and individuals depending on where they are located. The Tax Centres and the areas they serve are listed on the CRA website referred to above.

Where a Resident Holder is making the Section 85 Election as a co-owner where more than one co-owner is electing or as a member of a partnership, the applicable Tax Centre is Prince Edward Island.

The Québec tax election form, together with a copy of the federal Section 85 Election form, should be filed with Revenu Québec at the following address:

Revenu Québec
C.P. 3000, succursale Place-Desjardins
Montréal, Québec H5B 1A4

Resident Holders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec Section 85 Election; however, the copy of the federal Section 85 Election can be the English version.

None of Mariana, Sandstorm, the Depositary nor any successor corporation will be

responsible for the filing of any Section 85 Election by the Resident Holder's Filing Deadline. None of Mariana, Sandstorm, the Depositary nor any successor corporation will be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by a Resident Holder to properly file a complete and accurate Section 85 Election (and Québec tax election) within the time prescribed under the Tax Act (and the Québec Act, if applicable). Resident Holders will be solely responsible for the payment of any interest, taxes, and/or late filing penalties.

Resident Holders should consult with their own tax advisors for specific advice in respect of any applicable Filing Deadline in their own particular circumstances.

Completing the Section 85 Election Questionnaire

Getting Started

Before starting, you will need the following:

1. Identification related information, including the Resident Holder's name, address, social insurance number or business number, relevant taxation year, and, if applicable, similar information for co-owners of the Mariana Shares;
2. The number of Mariana Shares the Resident Holder disposed of pursuant to the Scheme;
3. The aggregate adjusted cost base of the Mariana Shares the Resident Holder disposed of pursuant to the Scheme;
4. The total amount of cash (in Canadian dollars) and the total number of Sandstorm Shares received pursuant to the Scheme; and
5. A copy of the Questionnaire found in Appendix A to this tax instruction letter.

About the Questionnaire

The Questionnaire is separated into two parts as follows:

1. Part I – Identification
2. Part II – Required Tax Information

To assist you in understanding the information requirements of each of these parts, the following pages of this tax instruction letter will briefly provide descriptions of these requirements. The numbers of each description coincide with the related question in the Questionnaire.

Part I – Identification

This Part requires the Resident Holder to provide the following information:

1. Name of Resident Holder

Enter the legal name of the Resident Holder (generally should be the name listed on the Resident Holder's income tax return).

2. Type of Resident Holder

Identify the Resident Holder as being an individual, a corporation, a trust or a partnership. You will also be asked to confirm the residency of the Resident Holder as Canadian, or, in the case of a partnership if any of the partners are residents of Canada.

3. Social Insurance Number, Business Number, Trust Account Number or Partnership Identification Number

Provide the relevant identification number(s) of the Resident Holder.

4. Address of Resident Holder

Provide the address of the Resident Holder (generally should be the address listed on the Resident Holder's income tax return).

5. Taxation Year of Resident Holder

The taxation year that the Resident Holder must provide is the taxation year that includes the Effective Date of the Scheme.

- (a) An individual (other than a trust) is taxed on a calendar year basis and generally has a December 31 taxation year-end. A Resident Holder that is an individual will generally provide the taxation year as 2017/01/01 to 2017/12/31.
- (b) A corporation may have a taxation year that ends at any time in the year. A Resident Holder that is a corporation must provide the taxation year that includes the Effective Date of the Scheme. For example, if the corporation's year began on Feb 1, 2017 and ends on January 31, 2018; the taxation year provided should be 2017/02/01 to 2018/01/31.
- (c) An *inter vivos* trust is taxed on a calendar year basis and generally has a December 31 taxation year-end. A Resident Holder that is an *inter vivos* trust that was established on or before January 1, 2017 will generally provide the taxation year as 2017/01/01 to 2017/12/31.
- (d) A testamentary trust may have a taxation year that ends at any time of the year. A Resident Holder that is a testamentary trust must provide the taxation year that includes the Effective Date of the Scheme. For example, if the testamentary trust's year began on February 1, 2017 and ends on January 31, 2018, the taxation year provided should be 2017/02/01 to 2018/01/31.
- (e) A partnership with at least one partner that is a corporation may have a taxation year that ends at any time of the calendar year. A Resident Holder that is a partnership must provide the taxation year that includes the Effective Date of the Scheme. For example, if the partnership's year began on February 1, 2017 and ends on January 31, 2018, the taxation year provided should be 2017/02/01 to 2018/01/31.

6. Tax Services Office of Resident Holder.

Indicate the Tax Services Office or Tax Centre ("**Tax Services Office**") that normally serves the Resident Holder (generally the Tax Services Office at which the Resident Holder files their income tax return each year).

The CRA has designated specific Tax Services Offices for all corporations and individuals, depending on where they are located. For a Resident Holder that is a corporation or an individual, the Tax Services Offices and the locations that they serve are listed on the CRA website: <http://www.cra-arc.gc.ca/cntct/tso-bsf-eng.html>.

For a Resident Holder that is a trust, the Tax Services Offices and locations that they serve are listed on the CRA website: <http://www.cra-arc.gc.ca/tx/trsts/t3trtn/whr-eng.html>.

For a Resident Holder that is a partnership, the Tax Services Offices and locations that they serve are listed on the CRA website: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/slprtnr/prtnrshp/whr-eng.html>.

7. Contact Information.

Sandstorm may need to contact a Resident Holder (or the contact person for the Resident Holder) to clarify the information contained in the Questionnaire submitted. Sandstorm requests that each Resident Holder provide a telephone number, facsimile number and e-mail address to facilitate any contact.

Sandstorm also requires the Resident Holder's email address in order to send the completed copies of the Section 85 Election. Without a valid email address, a copy of the Section 85 Election will not be provided.

8. Name of Co-owner(s) of the Mariana Shares

If you owned Mariana Shares together with another owner or owners (a “**co-owner**” or “**co-owners**”, as the case may be), a single Questionnaire completed by one of the co-owners designated for such purpose (the “**Designated Co-Owner**”) may be used for purposes of the Section 85 Election. **Note that in this case, each co-owner is not able to choose the co-owner's own particular Elected Amount.** The Designated Co-Owner must answer “Yes” to the question 8(a) “Are you requesting a Section 85 Election on behalf of all electing co-owners?” in the Questionnaire and provide the information requested for each co-owner (including contact information, the percentage share, etc.). Sandstorm will prepare the Section 85 Election form(s) for each co-owner and send the forms to the Designated Co-Owner. Then the Designated Co-Owner must sign one completed copy of each Section 85 Election form and file the forms together with a list of all co-owners electing and proof of authority to sign on behalf of such co-owners with the CRA (and Revenu Québec, as applicable).

If no co-owner is designated to submit the Section 85 Election Information on behalf of all electing co-owners (i.e. answer “No” to the question 8(a) “Are you requesting a Section 85 Election on behalf of all electing co-owners?”), then each co-owner must submit their own Section 85 Election Information and a Section 85 Election form(s) will be prepared for each of them to sign and file with the tax authorities. **If separate Section 85 Elections are filed, each co-owner is able to choose the co-owner's own particular Elected Amount.**

Refer to Question 3 of the Frequently Asked Questions section of this tax instruction letter for more information about completing a Section 85 Election if there are co-owners.

Part II – Required Tax Information

This Part requires the Resident Holder to provide information that will be used by the CRA to determine the tax consequences resulting from the disposition of the Mariana Shares.

9. Were any of the Mariana Shares disposed of capital properties?

The determination of whether the Mariana Shares were capital property to the Resident Holder is a question of fact depending on the Resident Holder's particular circumstances. A Resident Holder's Mariana Shares generally would have been considered capital property to the Resident Holder unless the Resident Holder held them in the course of carrying on a business of trading or dealing in securities, or in the course of an adventure or concern in the nature of trade.

Generally, most Resident Holders held the Mariana Shares as capital property and will answer this question "Yes". Some Resident Holders, however, held Mariana Shares as inventory or as part of an adventure or concern in the nature of trade and will answer this question "No".

A Resident Holder should consult with the Resident Holder's own tax advisor if the Resident Holder is unsure of the nature of the Mariana Shares.

10. Are you required to file a Québec income tax return?

Resident Holders that are required to file a Québec income tax return are also required to make an additional Québec tax election in order to defer all or a portion of any gain that might otherwise arise for Québec income tax purposes. For Resident Holders that answer "Yes" to this question, Sandstorm will prepare a Québec tax election form based on the information provided by the Resident Holder in the Questionnaire, and send the Québec tax election form to the Resident Holder to sign and file with Revenu Québec.

A Resident Holder filing the Québec tax election form with Revenu Québec must also file the federal Section 85 Election with the CRA. In addition, a copy of the federal Section 85 Election filed must be enclosed with the Québec tax election filed with Revenu Québec.

Resident Holders filing in Québec should note that corporations established in Québec are required to file the French version of the Québec tax election form; however the copy of the federal Section 85 Election can be the English version.

11. The amount of cash and number of Sandstorm Shares received by the Resident Holder

The amount of cash (in Canadian dollars) and number of Sandstorm Shares received can be found on the Resident Holder's brokerage statement that includes the Effective Date of the Scheme.

In the case of co-owners, the Resident Holder should enter the total amount of cash and the total number of Sandstorm Shares received by all co-owners, including those of any co-owners that decide not to elect. The total amounts are required to properly reflect the proportionate interest for each electing co-owner.

12. The total number of Mariana shares disposed of by the Resident Holder (and all co-owners, if applicable)

The number of Mariana shares disposed of can be found on the Resident Holder's brokerage statement that includes the Effective Date of the Scheme.

13. Adjusted cost base or cost amount (as applicable) of the Mariana Shares disposed of by the Resident Holder

The rules for determining the adjusted cost base ("ACB") (or "cost amount" in the case of inventory) are complex. Sandstorm does not have access to information that can assist Resident Holders in determining the Resident Holder's particular ACB or cost amount.

The ACB of the Mariana Shares will generally be the amount paid by the Resident Holder to acquire the Mariana Shares plus any reasonable costs to acquire the shares, or if received as a distribution from Mariana, the ACB may be the fair market value of the shares at the time of the distribution. The ACB may be adjusted in certain circumstances (e.g., where a Resident Holder received their Mariana shares due to a previous tax-deferred transaction or where a Resident Holder received their Mariana shares as a gift).

Each Resident Holder should consult the Resident Holder's own tax advisor to obtain assistance in determining the correct ACB or cost amount in respect of the Mariana Shares disposed of pursuant to the Scheme.

14. Elected amount

The Elected Amount is chosen by the Resident Holder, within certain parameters defined in the Tax Act, to affect the tax results of the disposition of the Mariana Shares. The Elected Amount will be the proceeds of disposition reported in the Resident Holder's income tax return for purposes of computing any gain or loss.

Resident Holders that wish to minimize any gain on the disposition of the Mariana Shares should answer "Yes" to Question 14 of the Questionnaire. By answering "Yes", the lowest possible Elected Amount allowed by the Tax Act will be used in completing the Section 85 Election.

Alternatively, Resident Holders may choose to use another amount as their Elected Amount, subject to the rules outlined below. Resident Holders that answer "No" must manually input their Elected Amount in the second part of Question 14.

The Relevant Amount for Mariana Shares disposed of pursuant to the Scheme must comply with the following rules:

- (a) the Elected Amount may not be less than the fair market value of the cash received by the Resident Holder on the exchange;

- (b) the Elected Amount may not be less than the lesser of (i) the ACB of the Mariana Shares and (ii) the fair market value of the Mariana Shares at the Effective Time; and
- (c) the Elected Amount may not be greater than the fair market value of the Mariana Shares at the Effective Time.

If the fair market value of the Mariana Shares is less than the ACB (that is, the disposition results in a loss), a Resident Holder cannot file a Section 85 Election.

Resident Holders should consult their tax advisors regarding the selection of the appropriate Elected Amount in respect of Mariana Shares disposed of pursuant to the Scheme.

15. Individuals in a “financial reporting oversight role” (“FROR”).

To ensure the rules and regulations of the Securities Exchange Commission (“SEC”) are not violated by any party, we must be informed if any Resident Holder making a Tax Election (or an immediate family member of the Resident Holder) is an individual in a FROR of a SEC registrant company. The SEC’s FROR rules and regulations only apply to individuals. If the Resident Holder is a corporation, a trust or a partnership, the answer to this question should be “No”.

Persons in a FROR are considered to include individuals in the roles of Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer, general counsel, Chief Administrative Officer, controller, director of internal audit, director of financial reporting, treasurer and any equivalent position of an SEC registrant company. An immediate family member of a Resident Holder includes a spouse or a spousal-equivalent (e.g., common-law spouse or domestic partner).

Frequently Asked Questions

Q1. How do I confirm the number of Sandstorm Shares and cash I received pursuant to the Scheme?

A1. Your securities broker may be able to provide you with this information. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date of the Scheme.

Q2. What happens if I was entitled to a fraction of a Sandstorm Share?

A2. No fractional Sandstorm Shares were issued upon the exchange of a Mariana Share. Pursuant to Section 2 of the Scheme, where the aggregate number of Sandstorm Shares to be issued to a Resident Holder as consideration under the Scheme would result in a fraction of a Sandstorm Share being issuable, the number of Sandstorm Shares to be received by such Resident Holder shall be rounded down to the nearest whole number of Sandstorm Shares and no Mariana Shareholder will be entitled to any compensation in respect of a fractional Sandstorm Share.

Q3. I owned Mariana Shares together with other co-owners (e.g. my spouse). Who should complete and sign the Section 85 Election?

A3. A single Questionnaire may be used for the Section 85 Election if one co-owner is chosen to submit the Section 85 Election Information on behalf of all co-owners (the “**Designated Co-Owner**”). If a single Questionnaire is being used, you must respond “yes” to the question 8(a) “Are you requesting a tax election on behalf of all electing co-owners?” in the Part I - Identification section of the Questionnaire and **each co-owner is not able to choose the co-owner’s own particular Elected Amount.**

The Designated Co-Owner must provide the required information for each electing co-owner in the Questionnaire. Sandstorm will prepare the Section 85 Election form(s) for each co-owner and send the forms to the Designated Co-Owner. Then the Designated Co-Owner must sign one completed copy of each Section 85 Election form and file the forms together with a list of all co-owners electing and proof of authority to sign on behalf of such co-owners with the CRA (and Revenu Québec, as applicable).

Alternatively, each co-owner may complete the co-owner’s own Questionnaire. In this case, each co-owner should set out the co-owner’s respective ownership interest in the Mariana Shares and report amounts on the co-owner’s Questionnaire corresponding to that ownership percentage. The co-owner should also choose the co-owner’s own Elected Amount in respect of co-owner’s particular ownership interest in the Mariana Shares. **If separate Section 85 Elections are filed, each co-owner is able to choose the co-owner’s own particular Elected Amount.**

Q4. How do I determine how many Mariana Shares were disposed of pursuant to the Scheme?

A4. Your securities broker may be able to confirm the number of Mariana Shares you disposed of. Alternatively, this information should be on your brokerage statement for the period that includes the Effective Date of the Scheme.

Q5. Will Sandstorm help me complete the Section 85 Election?

A5. No. After receiving the completed Questionnaire, Sandstorm (or its representative) will compile a Section 85 Election form based solely on the Section 85 Election Information provided by the Resident Holder. To enable Resident Holders to submit their Section 85 Election Information, Sandstorm has made the Questionnaire available in a paper-based format. This tax instruction letter describes how to complete the Questionnaire. Additionally, Resident Holders may call the Technical Assistance Hotline at 604-646-6363 (within North America) or 1-877-310-4299 (outside North America) for technical assistance regarding use of the Questionnaire. Neither Sandstorm nor its representative will provide legal or tax advice to any Resident Holder in connection with their Section 85 Election.

It is each Resident Holder's responsibility to review the Section 85 Election form for accuracy and completeness, sign it and file it with the CRA (and Revenu Québec, if applicable). Sandstorm will not verify the accuracy of the information contained in the Questionnaire.

Q6. Is there a fee for making the Section 85 Election?

A6. No, you are not required to pay any fees to make the Section 85 Election, provided the joint election form is filed by your Filing Deadline. The CRA (and Revenu Québec, if applicable) may levy a penalty for a late filed Section 85 Election.

Q7. How do I calculate the ACB of my Mariana Shares?

A7. The ACB of a Resident Holder's Mariana Shares that are capital property will generally be the amount that the Resident Holder paid for the Mariana Shares when they were originally acquired plus reasonable costs to acquire the shares such as a broker commission. The cost of particular Mariana Shares may be different due to certain events (e.g., where a shareholder received their Mariana Shares in a tax-deferred transaction or by way of a gift). If the Resident Holder received the Mariana Shares as a distribution from Mariana, the cost of those shares would generally be their fair market value at the time of the distribution. The ACB of a Resident Holder's Mariana Shares acquired at any time will be determined by averaging the cost of such shares with the ACB of the Mariana Shares held by the Resident Holder as capital property immediately before that time.

The rules for determining the ACB are complex. You should consult your own tax advisor to obtain assistance.

Q8. I received my Mariana Shares from my spouse or common law partner through an inheritance or gift. What is my ACB?

A8. Generally, if you received your Mariana Shares from your spouse or common law partner through an inheritance or gift and the Mariana Shares were held by you as capital property, the starting point for calculating the ACB of the Mariana Shares will be the ACB of the Mariana Shares to your spouse or common law partner immediately before their death or the gifting of the shares. However, the rules in this area are complex and you should consult your tax advisor for more information.

Q9. What happens if Sandstorm does not receive my Section 85 Election Information by the Tax Election Deadline?

A9. Sandstorm has agreed to make a Section 85 Election with Resident Holders only if complete and correct Section 85 Election Information is provided on or before the Tax Election Deadline, so it is important to provide your complete and correct information by that deadline. Sandstorm may, but is not obligated to, make a Section 85 Election if the Section 85 Election Information is received after the Tax Election Deadline. Consequently, you should ensure that the Resident Holder's complete and accurate Section 85 Election Information is received by Sandstorm in accordance with the procedures set out above by the Tax Election Deadline. Accordingly, if you wish to make a Section 85 Election with Sandstorm you should give your immediate attention to this matter.

Q10. I filed the Section 85 Election to obtain a full tax-deferred rollover on the disposition of my Mariana Shares. Do I have to report the disposition on my tax return for the period that includes the disposition of the Mariana Shares?

A10. Yes. You must report the disposition of Mariana Shares even though you elected to obtain a full deferral of any capital gain that might otherwise arise on the disposition of your Mariana Shares pursuant to the Arrangement. A Resident Holder's proceeds of disposition for Canadian income tax purposes will be equal to the Agreed Amount set out in box B on page 3 of the federal Section 85 Election form (and the equivalent box on a Québec tax election form).

Q11. I have completed and submitted the Questionnaire to Sandstorm. What do I do next?

A11. After receiving a properly completed Questionnaire, a Section 85 Election will be compiled using the information that the Resident Holder has provided. Sandstorm will execute the Section 85 Election form(s) and send an electronic copy to you using the email address provided in the Questionnaire.

You should then review the Section 85 Election. If you do not agree with the content, calculations or any disclosures, contact the hotline indicated in this tax instruction letter immediately. If you are satisfied, sign and file the Section 85 Election form(s) with the CRA (and Revenu Québec, if applicable).

Q12. I am a non-resident of Canada. What are my tax consequences resulting from the Scheme?

A12. A summary of the Canadian income tax consequences to non-residents of Canada can be found in the Circular under the heading "Part Five: Taxation – 3. Canadian taxation".

Most Non-Resident Holders will not be subject to Canadian income tax on the disposition of their Mariana Shares, and accordingly will not be permitted to make a Section 85 Election with Sandstorm.

Q13. If I make a tax election in Québec, am I required to make a federal Section 85 Election?

A13. Yes, a Resident Holder making a tax election in Québec must also make a federal Section 85 Election. Note that a copy of the federal Section 85 Election must be submitted to Revenu Québec when filing the Québec tax election form. A Resident Holder that is a corporation established in Québec is required to file the French version of the Québec Section 85 Election, however the copy of the federal Section 85 Election can be the English version.

**FORMER SHAREHOLDERS OF MARIANA RESOURCES LIMITED
TAX ELECTION QUESTIONNAIRE**

Any personal information you submit to Sandstorm Gold Ltd on this Section 85 Election Questionnaire will be used solely for the purposes of your Section 85 Election and any subsequent enquiries or proceedings, and you consent to our collection and use of your personal information for such purposes. Your personal information will not be used to market any goods or services to you.

If your Mariana Resources Limited shares were held in a TFSA or RRSP, there is no need to make a Section 85 Election. Please consult your tax advisor.

PART I: Identification

(please print clearly)

1 Name of Resident Holder

2 Type of Resident Holder Individual Partnership
 Corporation Trust

2(a) Is the Resident Holder a non-resident of Canada for tax purposes? Yes No

2(b) If the Resident Holder is a partnership, are any partners non-residents of Canada? Yes No N/A

3 Social Insurance Number, Business Number, Trust Account Number or Partnership Number of Resident Holder

4 Address of Resident Holder
Number and street
City, Province / State
Postal / ZIP code

5 Taxation Year of Resident Holder Y Y Y Y M M D D to Y Y Y Y M M D D

6 Tax Services Office of Resident Holder

7 Contact information
Title of Contact Person (Mr., Mrs., Ms., etc.)
Name of Contact Person c/o
Telephone () -
Facsimile () -
Email (Required)

Is the mailing address of the Contact Person the same as the Resident Holder's address above? Yes No

**FORMER SHAREHOLDERS OF MARIANA RESOURCES LIMITED
TAX ELECTION QUESTIONNAIRE**

7 (continued)

If "No", complete the following:

Number and street [REDACTED]
 City, Province / State [REDACTED] [REDACTED]
 Postal / ZIP code [REDACTED]

8 Were the shares co-owned?

Yes No

If "No", continue to the next question.

If "Yes", what was the Resident Holder's percentage share (i.e., undivided interest) in the co-owned shares?

[REDACTED]

8(a) Are you requesting a Section 85 Election on behalf of all electing co-owners?

Yes No

If "Yes", provide the following information for each co-owner.

Co-owner #1

(i) Name of Co-owner [REDACTED]

(ii) Type of Co-owner Individual Partnership
 Corporation Trust

(iii) Is the Co-owner a non-resident of Canada for tax purposes? Yes No

(iv) Social Insurance Number, Business Number, Trust Account Number or Partnership Number of Co-owner [REDACTED]

(v) Address of Co-owner:
 Number and street [REDACTED]
 City, Province [REDACTED] [REDACTED]
 Postal code [REDACTED]

(vi) Taxation year of Co-owner Y Y Y Y M M D D to Y Y Y Y M M D D

(vii) Tax Services Office of Co-owner [REDACTED]

(viii) What is the Co-owner's percentage share? [REDACTED]

Additional space is available at the end of the Questionnaire if there is more than one other Co-owner.

**FORMER SHAREHOLDERS OF MARIANA RESOURCES LIMITED
TAX ELECTION QUESTIONNAIRE**

PART II : Required Tax Information

(please print clearly)

9 Are any of the Mariana Shares disposed of capital properties? Yes No

10 Are you required to file a tax return in Québec? Yes No

If "Yes", please provide the following information, if applicable:

a) Québec Enterprise Number (if applicable)

b) Québec Partnership Identification Number (if applicable)

c) Are you a corporation established in Québec? Yes No

11 The total amount of cash (in Canadian dollars) and the total number of Sandstorm Shares received from Sandstorm under the Scheme.

Cash received (in Canadian dollars)	<input type="text"/>
Number of shares received	<input type="text"/>

12 The total number of Mariana Shares disposed of by the Resident Holder (and all co- owners, if applicable).

13 Adjusted cost base or cost amount (as applicable) of the Mariana Shares disposed of by the Resident Holder. (in Canadian dollars)

For Québec purposes only:

If the answer to Question #10 is "Yes", please answer the following:

a) Is your adjusted cost base for federal tax purposes different than your adjusted cost base for Québec tax purposes? Yes No

b) If "Yes", what is your Québec adjusted cost base? (in Canadian dollars)

14 Elected amount

I wish to minimize any tax gain on the disposition of the Mariana Shares Yes No

If "No", I choose to elect the following Elected Amount: (in Canadian dollars)

**FORMER SHAREHOLDERS OF MARIANA RESOURCES LIMITED
TAX ELECTION QUESTIONNAIRE**

14 (continued)

For Québec purposes only:

If the answer to Question #10 is "Yes", please answer the following:

I wish to minimize any tax gain for Québec purposes on the disposition of the shares Yes No

If "No", I choose to elect the following Elected Amount: \$ _____ (in Canadian dollars)

The following conditions must be satisfied to make a different Section 85 Election for federal purposes than for Québec purposes:

- (i) The parties carried on at least 90% of their business in Québec in the taxation year in which the transfer took place.
- (ii) If one of the parties is an individual, he or she was a resident in Québec on the last day of the transfer year.
- (iii) If the amounts in the federal Section 85 Election form and the Québec Section 85 Election form differ, the following question is answered:

Is the difference between the amounts entirely (or almost entirely) attributable to the difference between the cost amount of the property used to calculate Québec income tax and the cost amount used to compute federal income tax? Yes No

If you answered "No", briefly explain the difference:

(Note: The reason must be deemed reasonable in the circumstances by the Québec Minister of Revenue.)

Does the Resident Holder meet the above requirements allowing for a different federal and Québec tax election? Yes No

15 If the Resident Holder or a Co-owner is an individual, is the individual, the spouse of the individual or a dependent of the individual a person in a "financial reporting oversight role" (FROR) of a SEC registrant public company or an affiliate of such company?

Yes No

If "Yes", please name the SEC registrant(s) for which the individual, the individual's spouse and/or the individual's dependent is a person in a FROR:

1)

2)

**FORMER SHAREHOLDERS OF MARIANA RESOURCES LIMITED
TAX ELECTION QUESTIONNAIRE**

Question #8 continued

Additional Co-owner information (if required)

(please print clearly)

Co-owner #2

- (i) Name of Co-owner [Redacted]
- (ii) Type of Co-owner Individual Partnership
 Corporation Trust
- (iii) Is the Co-owner a non-resident of Canada for tax purposes? Yes No
- (iv) Social Insurance Number, Business Number, Trust Account Number or Partnership Number of Co-owner [Redacted]
- (v) Address of Co-owner:
 - Number and street [Redacted]
 - City, Province [Redacted] [Redacted]
 - Postal code [Redacted]
- (vi) Taxation year of Co-owner Y Y Y Y M M D D to Y Y Y Y M M D D
- (vii) Tax Services Office of Co-owner [Redacted]
- (viii) What is the Co-owner's percentage share? [Redacted]

Co-owner #3

- (i) Name of Co-owner [Redacted]
- (ii) Type of Co-owner Individual Partnership
 Corporation Trust
- (iii) Is the Co-owner a non-resident of Canada for tax purposes? Yes No
- (iv) Social Insurance Number, Business Number, Trust Account Number or Partnership Number of Co-owner [Redacted]
- (v) Address of Co-owner:
 - Number and street [Redacted]
 - City, Province [Redacted] [Redacted]
 - Postal code [Redacted]
- (vi) Taxation year of Co-owner Y Y Y Y M M D D to Y Y Y Y M M D D
- (vii) Tax Services Office of Co-owner [Redacted]
- (viii) What is the Co-owner's percentage share? [Redacted]

**FORMER SHAREHOLDERS OF MARIANA RESOURCES LIMITED
TAX ELECTION QUESTIONNAIRE**

Question #8 continued

Additional Co-owner information (if required)

(please print clearly)

Co-owner #4

- (i) Name of Co-owner
- (ii) Type of Co-owner Individual Partnership
 Corporation Trust
- (iii) Is the Co-owner a non-resident of Canada for tax purposes? Yes No
- (iv) Social Insurance Number, Business Number, Trust Account Number or Partnership Number of Co-owner
- (v) Address of Co-owner:
Number and street
City, Province
Postal code
- (vi) Taxation year of Co-owner Y Y Y Y M M D D to Y Y Y Y M M D D
- (vii) Tax Services Office of Co-owner
- (viii) What is the Co-owner's percentage share?

Co-owner #5

- (i) Name of Co-owner
- (ii) Type of Co-owner Individual Partnership
 Corporation Trust
- (iii) Is the Co-owner a non-resident of Canada for tax purposes? Yes No
- (iv) Social Insurance Number, Business Number, Trust Account Number or Partnership Number of Co-owner
- (v) Address of Co-owner:
Number and street
City, Province
Postal code
- (vi) Taxation year of Co-owner Y Y Y Y M M D D to Y Y Y Y M M D D
- (vii) Tax Services Office of Co-owner
- (viii) What is the Co-owner's percentage share?