

**IMPORTANT 2019 TAX NOTICE FOR U.S. SHAREHOLDERS**

This statement is provided for shareholders of Sandstorm Gold Limited (“Sandstorm”) who are United States persons for purposes of the U.S. Internal Revenue Code of 1986, as amended (“IRC”) and the regulations thereunder and are required to file a United States Income Tax Return. It is not relevant to other shareholders.

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, 2019. A U.S. Shareholder that wants to make a protective Qualifying Electing Fund (“QEF”) election under the PFIC rules can use the information provided below to make a QEF election. The determination as to whether any corporation is, or will be, a PFIC for a particular year 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 2019 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 strongly recommend that U.S. Shareholders consult with their own tax advisor to determine the consequences of holding Sandstorm securities if Sandstorm were deemed to be PFIC for any taxable year in which they hold their securities, and whether they are eligible to make any applicable taxpayer PFIC election under U.S. statutes and regulations. The attached PFIC Annual Information Statement contains information required by U.S. Shareholders to prepare their 2019 U.S. federal income tax returns assuming a QEF election is made.

Further Information on PFIC rules and the QEF election is available from the Internal Revenue Service, including the following website page: About Form 8621 – [www.irs.gov/form8621](http://www.irs.gov/form8621).

**ANNUAL INFORMATION STATEMENT FOR U.S. SHAREHOLDERS**

1. The first and last days of the fiscal year of Sandstorm to which this information applies:

First Day: January 1, 2019

Last Day: December 31, 2019

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

	<b>1/1/2019 – 3/31/2019</b>	<b>4/1/2019 – 6/30/2019</b>	<b>7/1/2019 – 9/30/2019</b>	<b>10/1/2019 – 12/31/2019</b>
Ordinary Earnings per Share	\$0.0046	Nil	\$0.0232	\$0.0127
Net Capital Gain per Share	Nil	\$0.0012	\$0.0003	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 as follows:

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 gain, 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 gain.

Sandstorm Gold Limited

Erfan Kazemi  
Chief Financial Officer