

# SANDSTORM RESOURCES PROVIDES DEVELOPMENT UPDATE ON LUNA GOLD'S AURIZONA PROJECT

Vancouver, British Columbia, July 15, 2009

Sandstorm Resources Ltd. ("Sandstorm" or the "Corporation") (TSX-V: SSL) is pleased to provide an update on Luna Gold Corp.'s ("Luna") (TSX-V:LGC) wholly-owned Aurizona gold project (the "Aurizona Project") in Maranhão State, Brazil. Sandstorm has agreed to purchase 17% of the life of mine gold production from the Aurizona Project for ongoing per ounce payments equal to the lesser of (a) US\$400 (subject to an increase equal to 1% per annum commencing on the third anniversary of the date that the Aurizona Project begins commercial production), and (b) the then prevailing market price per ounce of gold.

## PROGRESS HIGHLIGHTS

- New life of mine pit design based upon January 2009 mineral resource estimate
- Estimated total proven and probable mineral reserves increased to 729,000 ounces of gold
- Nominal mine life increased to 11 years
- Basic engineering revision completed and detailed engineering in progress
- Site preparation commenced and long lead items being procured

## MINERAL RESERVES

SRK Consulting (U.S.) Inc. was retained to carry out a full pit optimization analysis, revised pit design and detailed production schedule on the January 2009 mineral resource estimate for Luna Gold Corp [not announced by Sandstorm – included in re-addressed tech report]. The gold price used to calculate the cut-off grade (CoG) for the revised mine plan was increased to US\$750/oz Au from the US\$650/oz Au used in the 2008 Feasibility Study CoG calculation. The resource and price increases resulted in a proven and probable mineral reserve tonnage estimate increase of 51% to 17.2Mt of ore with a gold grade of 1.32g/t. A summary of changes from the reserve statement from the July 2008 feasibility are as follows in Table 1.

TABLE 1: SUMMARY OF CHANGES IN AURIZONA MINERAL RESERVES ATTRIBUTABLE TO SANDSTORM FROM JULY 2008 TO JULY 2009

	JULY 2008	JULY 2009	% CHANGE
In-situ Au ozs in Total P&P Reserves	85,000	123,930	46%
Tonnage	1,926,000	2,910,230	51%
Au Grade (gpt)	1.37	1.32	-7%
In-situ Au ozs in Saprolite P&P Reserves	55,760	65,110	18%
In-situ Au ozs in Transition P&P Reserves	15,980	17,170	7%
In-situ Au ozs in Fresh P&P Reserves	13,940	41,650	200%
Mine Life	7.5 years	11 years	46%
Gold Price	\$650.00	\$750.00	15%
Stripping Ratio	2.64	3.32	26%

The estimated global proven and probable mineral reserves attributable to Sandstorm from the Aurizona project are now as follows:

TABLE 2: PROVEN AND PROBABLE AURIZONA MINERAL RESERVES (AS OF JUNE 23, 2009) ATTRIBUTABLE TO SANDSTORM.

CATEGORY	G/T-AU	ORE TONNES (KT)	IN-SITU OZ-AU (000'S)
Total Proven	1.44	257	12
Total Probable	1.31	2,654	112
<b>Total Proven and Probable</b>	<b>1.32</b>	<b>2,910</b>	<b>124</b>

Reserves are based on a gold price of US\$750/oz;

Full mining recovery is assumed;

Mine reserves are diluted along mineralized boundary to block model SMU of 10m x 10m x 3m;

An internal CoG of 0.35g/tAu was used on Saprolite Rock within the pit design;

An internal CoG of 0.37g/t-Au was used on Transition Rock within the pit design;

An internal CoG of 0.41g/t-Au was used on Fresh Rock within the pit design;

Internal CoG determination includes metallurgical recoveries of 95% in Saprolite, 93% in Transition, and 91% in Fresh ore;

In situ Au ounces do not include metallurgical recovery losses;

Saprolite is rock between topography and an interpreted floor surface marking the change from highly to moderately weathered rock;

Transition is rock between an (upper) interpreted Saprolite floor surface and an interpreted moderately weathered rock floor surface; and

Fresh rock is rock below an (upper) interpreted Transition floor surface.

The stripping ratio (waste: ore) has increased due to the greater quantity of Measured and Indicated reserves contained within the new pit design in deeper fresh rock. The gold recovery from fresh rock reserves is estimated at 91%, compared with 93% and 95% for transition and saprolite rock types. As a result of the expected increase in fresh rock reserves the overall life of mine recovery grade will be slightly reduced.

The stated Proven and Probable mineral reserves have been prepared in accordance with Canada's National Instrument 43-101 Standards of Disclosure for Mineral Projects. The Qualified Person, as defined by National Instrument 43-101, for the mineral reserve update, is Bret C. Swanson, MAusIMM of SRK Consulting (U.S.) Inc. Mr. Swanson has reviewed and approved the contents of this news release relating specifically to Sandstorm's stated attributable reserves.

## ENGINEERING AND PROCUREMENT

Luna has already purchased much of the milling plant and this equipment is being assembled at the embarkation port. Other long-lead equipment items are being procured and to-date, orders have been placed for the plant apron feeder, induction furnace and leach plant agitators. The contract for detailed engineering of the process plant was awarded in late May to INFO Design.

Work is also in progress with expanding stores facilities and lay-down areas, additional accommodation in anticipation of the increased work force in the coming months, and site preparation of the analytical laboratory. The project works are currently on schedule for plant commissioning in the first quarter of 2010.

A positive final exploration report for the Tatajuba exploration license has been submitted to the Mines Department. Pending approval of the report, an application will be submitted for a mining concession covering this license.

## ABOUT SANDSTORM RESOURCES

Sandstorm Resources Ltd. is a growth focused resource based company that seeks to complete transactions with companies that have advanced stage development projects or operating mines. By making upfront payments to its partners, Sandstorm receives volumetric production payments (i.e. metal stream deals) and royalties on precious metals. Sandstorm helps other companies in the resource industry grow their businesses, while acquiring attractive assets in the process.

Sandstorm is focused on low cost, profitable operations with excellent exploration potential and management teams focused on accretive growth in politically stable jurisdictions. For more information visit: [www.sandstormresources.com](http://www.sandstormresources.com)

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Except for the statements of historical fact contained herein, the information presented constitutes "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information is based on reasonable assumptions that have been made by the Corporation as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Sandstorm to be materially different from those expressed or implied by the forward-looking information, including but not limited to: the impact of general business and economic conditions; the absence of control over mining operations from which Sandstorm will purchase gold and risks related to those mining operations, including risks related to international

operations, government and environmental regulation, actual results of current exploration activities, conclusions of economic evaluations and changes in project parameters as plans continue to be refined; problems inherent to the marketability of minerals; industry conditions, including fluctuations in the price of metals, fluctuations in foreign exchange rates and fluctuations in interest rates; stock market volatility; competition; as well as those factors discussed in the section entitled "Risk Factors" in Sandstorm's final short form prospectus as well as in Sandstorm's annual information form incorporated by reference in such prospectus. Although Sandstorm has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Sandstorm does not undertake to update any forward-looking information that is contained or incorporated by reference herein, except in accordance with applicable securities laws.

#### Cautionary Note Regarding Reserves and Resources

Readers should refer to the short form prospectus of Sandstorm dated April 16, 2009 available at [www.sedar.com](http://www.sedar.com), for further information on Mineral Reserves and Resources, which is subject to the qualifications and notes set forth therein as well as for additional information relating to the Corporation more generally. Mineral Resources which are not Mineral Reserves, do not have demonstrated economic viability.

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#### CONTACT INFORMATION

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