

# ***SANDSTORM RESOURCES ACQUIRES GOLD STREAM FROM SANTA FE GOLD CORPORATION***

Vancouver, British Columbia, September 14, 2009

Sandstorm Resources Ltd. ("Sandstorm" or the "Corporation") (TSX-V: SSL) is pleased to announce that it has entered into a gold purchase agreement with Santa Fe Gold Corporation ("Santa Fe"), a U.S.-based mining and exploration company.

## **ANNOUNCEMENT HIGHLIGHTS:**

- Sandstorm enters into Gold Volumetric Production Payment with Santa Fe's Silver-Gold Summit Mine in New Mexico, USA
- Sandstorm to purchase 50% of the first 10,000 ounces of payable gold from the Summit Mine and then 22% of the payable gold thereafter
- Sandstorm will make an upfront payment of US\$4 million with cash on hand, and will make ongoing payments of US\$400 per ounce

Sandstorm has agreed to purchase 50% of the first 10,000 ounces of gold, and 22% of the gold thereafter, from Santa Fe's silver-gold Summit mine (the "Summit Mine"), located in southwestern New Mexico, USA. In consideration, Sandstorm will make an upfront payment of US\$4,000,000 in cash plus ongoing per ounce payments equal to the lesser of US\$400 (subject to an increase equal to 1% per annum commencing on the third anniversary of the date that the Summit Mine begins commercial production) and the then prevailing market price per ounce of gold. The amount of payable gold can be reduced from 22% to 15% if, within 36 months from the date Sandstorm funds the agreement, the following conditions are satisfied:

1. The rate of mineralized rock mined and processed from the Summit Mine averages 400 tonnes per day or more for any consecutive 12 month period; and
2. Payable gold production exceeds 11,500 ounces during any consecutive 12 month period.

The Summit Mine is an underground silver-gold mine located in southwestern New Mexico, USA. It is a low sulphidation epithermal deposit, which Santa Fe has been mining and stock piling mineralized rock for the past four months. Mineralized rock from the Summit Mine is transported to Santa Fe's mill located in Lordsburg where a gold-silver concentrate will be produced. The mill is fully operational and will commence processing material upon receipt of final permits. Gold concentrate sales are anticipated to begin in 2010.

Sandstorm has paid to Santa Fe a deposit of US\$500,000. The balance of the upfront cash payment will be paid to Santa Fe upon the satisfaction of certain funding conditions which include Santa Fe having received all necessary permits to build, operate and commercially extract gold from the Summit Mine. Santa Fe has the option, for the next nine months, to increase the size of the transaction by US\$1,000,000 to US\$5,000,000. If Santa Fe exercises this option, the percentage of payable gold that Sandstorm will be entitled to purchase will increase to 62.5% of the first 10,000 ounces and 27.5% thereafter.

Sandstorm will not be required to contribute to any capital or exploration expenditures in respect of the mining operations of the Summit Mine. Santa Fe has provided Sandstorm with a production guarantee such that, if within 18 months from the date that Sandstorm funds the agreement the Summit Mine has not produced certain minimum amounts of payable gold, Sandstorm has the option to require a partial refund of the upfront payment. Santa Fe has also granted Sandstorm a right of last offer with respect to the sale of gold production by way of a gold stream agreement from any property other than the Summit Mine.

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## 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) 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 operations with excellent exploration potential and strong management teams. Sandstorm has completed volumetric production payments with Luna Gold Corp, SilverCrest Mines Inc. and Santa Fe Gold Corporation. For more information visit: [www.sandstormresources.com](http://www.sandstormresources.com)

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## 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; delays in the construction of the Summit Project as well as those factors discussed in the section entitled "Risk Factors" in Sandstorm's annual information form for the financial year ended March 31, 2009. 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. Sandstorm is a precious metals company. It considers its peers to be Gold Wheaton Gold Corp., Silver Wheaton Corp., Royal Gold Inc., Franco-Nevada and International Royalty Corp.

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## CONTACT INFORMATION

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