

# ***SANDSTORM RESOURCES ANNOUNCES FIRST GOLD SALES AND PROVIDES UPDATE ON LUNA GOLD'S AURIZONA MINE***

Vancouver, British Columbia, August 30, 2010

Sandstorm Resources Ltd. ("Sandstorm") (TSX-V: SSL) is pleased to announce the first gold sales from its gold streaming transaction with Luna Gold Corp. ("Luna"). Luna has begun extracting gold from both the gravity circuit and the cyanide leach system of its Aurizona mine in Brazil, of which Sandstorm is entitled to purchase 17% at \$400 per ounce. Luna has also approved a US\$5 million exploration program to be completed in the balance of 2010 of which the bulk of that amount will be dedicated to exploration in the Aurizona main area ("Aurizona Main") under which the Sandstorm agreement is in place.

## **HIGHLIGHTS OF THE AURIZONA MINE COMMISSIONING PROCESS ARE AS FOLLOWS:**

- Commissioning of the primary circuit and the gravity circuit has been completed.
- Commissioning of the leach circuit is underway.
- July production was approximately 600 ounces of gold.
- August production to date is approximately 1,800 ounces of gold.
- Production is expected to continue to ramp up over the next several months as commissioning is completed.

During the last two weeks of August, the plant achieved a daily average milling rate of 5,000 run-of-mine tonnes of ore per day at an average mining grade of 1.24 grams per tonne. This milling rate was approximately 8% above the feasibility study rate and the operational team continues to ramp up gold production during the commissioning phase.

## **AURIZONA EXPLORATION**

The Company's exploration team has made solid progress in defining additional targets within the Aurizona Main area. A 20,000 metre drill program commenced at the end of August and will drill extensions of the Piaba deposit in addition to drill programs at the Tatajuba deposit and near mine exploration targets in the Aurizona Main area. Drilling will also be focused on infilling over a 3 kilometre length at the Piaba deposit to further define measured and indicated resources.

"We are delighted to see the ramp up of gold production at Aurizona is beginning to take place. In addition to increasing gold sales, we are looking forward to the results of the significant exploration program that is being deployed on the asset," stated Nolan Watson, President and Chief Executive Officer of Sandstorm.

Mr. Watson added, "We anticipate Sandstorm will realize gold sales from Aurizona in the third quarter and material production from this asset in the fourth quarter. It is exciting to see Sandstorm transform into a cash flowing gold company."

## **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 Resources receives volume based production payments (i.e. metal stream deals) on precious metals. Sandstorm Resources helps other companies in the

resource industry grow their businesses, while acquiring attractive precious metal assets in the process.

Sandstorm Resources is focused on low cost operations with excellent exploration potential and strong management teams. Sandstorm has completed volume based production payments with Luna Gold Corp., SilverCrest Mines Inc., Santa Fe Gold Corporation and Rambler Metals and Mining plc. For more information visit: <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 Resources 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 Resources 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 Ming Mine as well as those factors discussed in the section entitled “Risk Factors” in Sandstorm Resources’ annual information form for the financial year ended March 31, 2009. Although Sandstorm Resources 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 Resources 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 Resources is a precious metals company. Sandstorm Resources does not provide any representation as to its comparability with other companies in its industry including, but not limited to, International Royalty Corp., Gold Wheaton Gold Corp., Silver Wheaton Corp., Royal Gold Inc., and Franco-Nevada Corporation.

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