

SANDSTORM RESOURCES PROVIDES GOLD PRODUCTION UPDATES

Vancouver, British Columbia, September 30, 2010

Sandstorm Resources Ltd. ("Sandstorm") (TSX-V: SSL) is pleased to provide gold production updates on the Santa Elena Mine, operated by SilverCrest Mines Inc. ("SilverCrest") and the Summit Mine, operated by Santa Fe Gold Corp ("Santa Fe").

SilverCrest recently poured its first gold and silver doré from the Santa Elena Mine, and sales are expected to begin imminently. The mine is currently being operated near its capacity and SilverCrest anticipates that it will be operating at full capacity by the end of this year. Sandstorm is entitled to purchase 20% of the life of mine gold produced at the Santa Elena Mine at a per ounce price equal to the lesser of USD\$350 and the then prevailing market price.

In addition to the success that is being achieved by SilverCrest at its Santa Elena Mine, Sandstorm is pleased to announce that Santa Fe has continued to increase production at its Summit Mine and has begun shipping its gold-silver concentrate to a European smelter. Sandstorm is entitled to purchase 50% of the first 10,000 ounces of gold produced, and 22% of the gold produced thereafter, from the Summit Mine at a per ounce price equal to the lesser of USD\$400 and the then prevailing market price.

President and CEO Nolan Watson commented, "With three mines now in production, Sandstorm has officially transformed into a cash flowing company and will be receiving regular deliveries of gold going forward. It is an exciting time in the development of our 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>

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 December 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 Gold Wheaton Gold Corp., Silver Wheaton Corp., Royal Gold Inc., and Franco-Nevada Corporation.

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