

SANDSTORM GOLD ANNOUNCES 44 METRES OF 4.94 G/T AND A DRILL PROGRAM EXTENSION AT LUNA GOLD'S AURIZONA MINE

Vancouver, British Columbia, June 28, 2011

Sandstorm Gold Ltd. ("Sandstorm") (TSX-V: SSL) is pleased to announce that drilling from the Aurizona Mine, owned and operated by Luna Gold Corp. ("Luna") (TSX-V: LGC) has reported positive assay results from eight new holes. Significant mineralized intercepts are:

- 32.00 metres @ 2.78 g/t Au including 1.00 metre @ 6.62 g/t Au and 6.50 metres @ 7.10 g/t Au in BRAZD304
- 44.00 metres @ 4.94 g/t Au including 0.50 metres @ 21.40 g/t Au, 0.50 metres @ 14.35 g/t Au and 5.00 metres @ 30.51 g/t Au in BRAZD306
- 17.00 metres @ 5.18 g/t Au including 3.50 metres @ 12.71 g/t Au and 2.00 metres @ 14.32 g/t Au in BRAZD314

"The drill results that we continue to receive from Luna point to a potential extension of the current mine life," said Sandstorm President & CEO Nolan Watson. "We eagerly anticipate the release of the Aurizona resource upgrade expected in the fourth quarter of this year."

In accordance with Sandstorm's gold purchase agreement with Luna, Sandstorm is entitled to purchase 17% of the life of mine gold produced from the Aurizona Mine at a per ounce price equal to the lesser of US\$400 and the then prevailing market price.

Of the current 20,000 metre drill program, which commenced in August 2010, assays from 39 holes totaling 10,668 metres have been received and samples from 10 additional holes are currently at the assay lab. The most recent assay results are for eight drill holes totaling 2236 metres drilled on six sections covering a strike extent of 900 metres in the west central portion of the Piaba deposit. In seven holes, core was not recovered from surface. All drill holes intersected considerable zones of gold mineralization and the deposit remains open at depth on all sections. Based on the success of the current program and the potential to increase resources at the Piaba deposit, Luna has extended the current drill program by 20,000 meters.

For more information visit the Luna website at www.lunagold.com. Significant mineralized intercepts are tabulated below.

SECTION	HOLE ID	AZI	DIP	START DEPTH (M)	END DEPTH (M)	FROM (M)	TO (M)	INT (M)	AU (G/T) UNCAPPED	
0500W	BRAZD309	168	-60	0.00	320.90	262.00	270.00	8.00	3.60	
						Including	265.50	266.50	1.00	20.24
							281.50	283.00	1.50	17.14
							290.00	297.00	7.00	1.30
							300.00	309.00	9.00	1.27
0700W	BRAZD308	168	-64	100.00	320.70	222.00	230.00	8.00	1.39	
							234.00	253.00	19.00	1.29
						Including	247.50	248.00	0.50	6.89
							259.00	267.00	8.00	1.68
						Including	264.00	264.50	0.50	18.35
	270.00	275.00	5.00	1.51						
0800W	BRAZD306	168	-69	100.00	367.30	235.00	250.00	15.00	1.04	

						260.00	304.00	44.00	4.94
					Including	279.00	279.50	0.50	21.40
					And	283.00	283.50	0.50	14.35
					And	293.00	298.00	5.00	30.51
	BRAZD312	168	-62	50.00	276.20	198.00	216.00	18.00	1.39
					Including	201.00	202.00	1.00	5.81
					And	212.00	214.00	2.00	4.08
						219.00	237.00	18.00	1.56
1000W	BRAZD310	168	-63	100.00	319.65	206.00	208.00	2.00	6.36
						217.00	238.00	21.00	1.26
1200W	BRAZD304	168	-65	100.00	224.35	125.00	157.00	32.00	2.78
					Including	126.00	127.00	1.00	6.62
					And	141.50	148.00	6.50	7.10
	BRAZD314	168	-50	100.00	179.55	116.00	133.00	17.00	5.18
					Including	120.00	123.50	3.50	12.71
					And	130.00	132.00	2.00	14.32
1400W	BRAZD307	168	-69	80.00	226.85	156.00	163.00	7.00	1.24
						166.00	177.00	11.00	1.15

Mineralized drill intercepts from the ongoing Aurizona resource drill program. Intervals are calculated as composites using a 0.30 gram/tonne Au cut-off and maximum 2 metre internal waste. True widths to be established.

Titus Haggan Ph.D., EurGeol Certified Professional Geologist #746, Luna's VP Exploration is the Qualified Person as defined under National Instrument 43-101 responsible for the scientific and technical work on the exploration program and has supervised the preparation of and reviewed the technical disclosure in this press release. Non-Qualified Persons currently work on Luna's exploration programs under the guidance of Titus Haggan. Dr Haggan takes responsibility for work, information and advice generated by non-Qualified Persons and has taken the steps required to ensure that the work, information and advice is sound.

ABOUT SANDSTORM GOLD

Sandstorm Gold Ltd. is a growth focused resource based company that seeks to complete gold purchase agreements with companies that have advanced stage development projects or operating mines. A gold purchase agreement involves Sandstorm making an upfront cash payment to its partners and in exchange, Sandstorm receives the right to purchase a percentage of the gold produced for the life of the mine, at a fixed price per ounce. Sandstorm helps other companies in the resource industry grow their business, 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 gold purchase agreements with Luna Gold Corp., SilverCrest Mines Inc., Santa Fe Gold Corp., Rambler Metals and Mining plc, Brigus Gold Corp. and Metanor Resources Inc. For more information visit: <http://www.sandstormgold.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 Sandstorm 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 and competition. For additional discussion of risk factors, please refer to the Company's short-form prospectus dated October 13, 2010 which is available on www.sedar.com. 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 does not provide any representation as to its comparability with other companies in its industry including, but not limited to, Silver Wheaton Corp., Royal Gold, Inc., and Franco-Nevada Corporation.

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