

Sandstorm Gold Announces 3.11 Metres of 9.71 g/t and 10.10 Metres of 6.92 g/t at Metanor Resource's Bachelor Lake Project

Vancouver, British Columbia, September 27, 2011

Sandstorm Gold Ltd. ("Sandstorm") (TSX-V: SSL) is pleased to announce that Metanor Resources Inc. ("Metanor") (TSX-V: MTO) has reported positive assay results from drilling at the Bachelor Lake Project ("Bachelor Lake"). Metanor obtained the following results from the first seven completed drill holes:

DRILL HOLE	FROM (M.)	TO (M.)	WIDTH (M.)*	GRADE G/T AU	ZONE
B11-160	269.00	272.11	3.11	9.71	HA-West
B11-161	339.48	341.61	2.13	5.44	HA-West
B11-163	163.28	166.08	2.80	4.00	HA-West
	174.08	175.66	1.58	4.47	HA-West
B11-164	196.57	204.67	8.10	1.13	HA-West
including	196.57	202.18	5.61	1.62	
B11-165	235.85	239.07	3.22	1.70	HA-West
	240.90	249.01	8.11	1.07	HA-West
including	241.56	244.13	2.57	2.83	1
B11-166	185.88	187.94	2.06	2.87	HA-West
B11-187	281.20	291.30	10.10	6.92	HA-West

(* All intercepts represent the true core length).

Metanor has completed 3,000 metres of their previously announced 15,000 metre diamond drilling campaign. The drilling targeted a zone between 100 and 330 metres below surface and gold mineralization was observed at different degrees in all of the drill holes completed to date. The drill program is continuing from surface with the goal of increasing the resources in the Hewfran sector. Metanor also plans to begin drilling the Main and B veins from level 15 at Bachelor Lake in October 2011.

Sandstorm President and CEO Nolan Watson commented, "It is encouraging to see positive assay results come from the initial drill holes of the exploration program at Bachelor Lake."

In accordance with Sandstorm's gold purchase agreement with Metanor, Sandstorm is entitled to purchase 20% of the life of mine gold produced from Bachelor Lake at a per ounce price equal to the lesser of US\$500 and the then prevailing market price.

Pascal Hamelin, P. Eng, Vice-President and General Manager of Operations, is the Qualified Person under NI 43-101 responsible for reviewing and approving the technical information contained in this news release.

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., Metanor Resources Inc. and Donner Metals Ltd.

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; competition; as well as those factors discussed in the section entitled "Risks to Sandstorm" in Sandstorm's annual report for the financial year ended December 31, 2010. 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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