

# Statement of our Governance Practices

Sandstorm Gold Ltd. (“Sandstorm”) is committed to effective and sound practices in corporate governance and regularly assesses emerging best practices. Sandstorm’s goal is transparent and comprehensive disclosure of its corporate governance practices.

Sandstorm is in compliance with applicable Canadian and U.S. corporate governance rules, regulations and policies, such as National Instrument 52-110 Audit Committees and National Instrument 58-101 Disclosure of Corporate Governance Practices issued by the Canadian Securities Administrators, as well as provisions in Section 303A of the New York Stock Exchange Governance Standards (NYSE Governance Rules) applicable to foreign private issuers.

Although not required to do so, Sandstorm has voluntarily adopted and is in substantial compliance with many of the provisions of the NYSE Governance Rules that are not mandatory for foreign private issuers, except as follows:

## — QUORUM

Section 310.00 of the NYSE Listed Company Manual generally requires that a listed company’s by-laws provide for a quorum for any meeting of the holders of the company’s common shares that is sufficiently high to ensure a representative vote. Pursuant to the NYSE Governance Rules, Sandstorm, as a foreign private issuer, has elected to comply with practices that are permitted under Canadian law in lieu of the provisions of Section 310.00. Sandstorm’s Articles provide that the quorum for the transaction of business at a meeting of shareholders of Sandstorm shall be two persons present in person, each being a shareholder entitled to vote there at or a dually appointed proxy or proxy holder for an absent shareholder so entitled, holding or representing in the aggregate not less than 25% of the issued shares of Sandstorm enjoying voting rights at such meeting.

## — SHAREHOLDER APPROVAL

The NYSE Governance Rules for U.S. domestic issuers require shareholder approval of all equity compensation plans (as defined in the NYSE rules) regardless of whether new issuances, treasury shares or shares that Sandstorm has purchased in the open market are used. The TSX rules require shareholder approval of share compensation arrangements involving new issuances of shares, and of certain amendments to such arrangements, but do not require such approval if the compensation arrangements involve only shares purchased in the open market.

The NYSE rules for U.S. domestic issuers also require shareholder approval of certain transactions or series of related transactions that result in the issuance of common shares, or securities convertible into or exercisable for common shares, that have, or will have upon issuance, voting power equal to or

in excess of 20% of the voting power outstanding prior to the transaction or if the issuance of common shares, or securities convertible into or exercisable for common shares, are, or will be upon issuance, equal to or in excess of 20% of the number of common shares outstanding prior to the transaction. The TSX rules require shareholder approval of transactions or acquisitions where the aggregate number of listed securities issuable is greater than 25% and for placements that during any six month period are to insiders for common shares or convertible securities greater than 10% of the common shares outstanding. In addition, the TSX will generally require security holder approval if the transaction (i) materially affects control of the issuer, including transactions that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together or (ii) provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the issuer during any six month period. The TSX also has broad general discretion to require shareholder approval in connection with any issuances of listed securities.

## — INTERNAL AUDIT FUNCTION

Section 303A.07(c) of the NYSE Listed Company Manual generally requires that a listed company have an internal audit function. Pursuant to the NYSE Governance Rules Sandstorm, as a foreign private issuer, has elected to follow Canadian law which does not require an internal audit function.

## — CORPORATE GOVERNANCE GUIDELINES

Section 303A.09 of the NYSE Listed Company Manual generally requires that a listed company adopt and disclose on its website corporate governance guidelines that address the following issues:

- i Director Independence,
- ii Director Responsibilities,
- iii Director Access to Management,
- iv Director Compensation,
- v Director Orientation and Continued Education,
- vi Management Succession Policies, and
- vii Annual Performance Self-Evaluation by the Board.

While Sandstorm does not currently have formal corporate governance guidelines posted on its website, it does currently have policies and practices that address many of the above issues. For a detailed discussion of such policies and practices, please review Sandstorm's most recent Management Information Circular filed on SEDAR at [www.sedar.com](http://www.sedar.com), on EDGAR at [www.sec.gov](http://www.sec.gov) or on the Company's website at [www.sandstormgold.com](http://www.sandstormgold.com).