

SANDSTORM RESOURCES LTD.
(the "Company")

POLICY ON STOCK TRADING AND USE OF MATERIAL INFORMATION

INSIDER TRADING AND TIPPING

Directors, officers and employees of the Company and its subsidiaries must not trade in the Company's securities if material information has not been publicly disclosed and must not disclose the material information to another person ("**tippee**") or, with knowledge of such undisclosed material information, recommend or encourage another person to trade securities of the Company. Doing so is a breach of securities laws and may result in liability for the person involved and the Company. To protect the Company and its staff, the Company's policy on stock trading and use of material information is set forth below.

The Board has instructed management to annually provide a copy of this policy to each of the Company's directors, officers and employees. This policy is administered by the Chief Executive Officer, reviewed annually by the Board and recommendations for any required changes made to the Board.

Trading in Securities and Tipping

- (a) You must not trade in securities of the Company during any "black out" period announced by the Chief Executive Officer of the Company.
- (b) If you, as an officer, employee, director or person in a special relationship, have actual knowledge of material undisclosed information relating to the Company, until the information has been disclosed, you must not trade, either directly or indirectly, in securities of the Company. Further, you must not disclose that information and in particular must not disclose information with respect to a take over bid, reorganization, amalgamation, merger, arrangement or similar business combination or material acquisition unless the giving of the information is necessary to effect the transaction. If it is necessary to disclose the information, steps must be taken to inform the receiving party of the confidentiality of the information.
- (c) You must file all required insider reports or other required reports of trades with the Securities Commissions within the time periods mandated by securities legislation.
- (d) "**Trading**" includes the exercise of stock options granted by the Company.

Confidential Information

- (a) You shall not disclose confidential information about the affairs of the Company to anyone outside the Company, except as required in the performance of regular duties for the Company.
- (b) Communications with securities analysts and the media must be handled only by specifically authorized persons in the Company. Unless you are so authorized, you shall refer any enquiry from outside the Company to the disclosure committee established pursuant to the Company's Communications and

Corporate Disclosure Policy.

- (c) Confidential information concerning the Company must be safeguarded. This requires care in handling correspondence, documents, memos, telexes and fax messages, especially when being photocopied or physically transferred from one floor to another or through public areas, in conducting oral conversations and using cell phones.
- (d) Do not leave outside visitors unattended in offices when confidential documents may be present and do not allow visitors to use an unoccupied office to make telephone calls without the permission of the officer or employee who normally occupies that office.
- (e) Any documents being physically transported from one department to another on separate floors or through public areas, including the internal lobby and elevator areas, must be covered or otherwise concealed.
- (f) All persons are reminded that the sending of confidential information by external email may not be secure as the Company does not use encryption technology.

Liability

Liability arises for trading securities on the basis of information which has not been disclosed to the public or for disclosing information to persons who use it for the purposes of trading or pass it on to others, if the information is material within the meaning of the securities laws. Do not rely on your own judgment as to whether particular information is material as this decision should be referred to the disclosure committee established pursuant to the Company's Communications and Corporate Disclosure Policy. Information which may be material includes financial results, negotiations concerning contracts with outside parties, possible dispositions or acquisitions of significant assets or other corporations or businesses, results of exploration activities including drill results, financings, important personnel changes, or litigation.

If you fail to observe these corporate policies you and the Company may be legally liable under the Canadian securities laws. Any violation may result in termination of employment.

If you have questions about the interpretation of this policy, please contact the Chief Executive Officer of the Company.

DATE IMPLEMENTED BY THE BOARD OF DIRECTORS: SEPTEMBER 12, 2008