MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Sandstorm Metals & Energy Ltd. (the “**Company**” or “**Sandstorm**”)
Suite 1400 – 400 Burrard Street
Vancouver, BC V6C 3A6

Item 2 Date of Material Change

March 15, 2012

Item 3 News Release

A news release with respect to the material change referred to in this report was filed by the Company through Marketwire on March 15, 2012 and filed on SEDAR.

Item 4 Summary of Material Change

The Company announced on March 15, 2012 that it recorded a net loss of $13.1 million for the three months ended December 31, 2011, attributable in part to a non-cash impairment charge of $14.6 million relating to the assets of Royal Coal Inc.

Item 5 Full Description of Material Change

The Company announced on March 15, 2012 that it recorded a net loss of $13.1 million for the three months ended December 31, 2011, attributable to a number of factors, including a non-cash impairment charge of $14.6 million relating to the assets of Royal Coal Inc. (“Royal Coal”). Nolan Watson, the Company’s CEO, stated that “Royal Coal represents approximately 10% of our capital base, but has been a disproportionately large portion of our recent news flow. Sandstorm management made the decision to write-down Royal Coal’s assets and take a loss for 2011, thus allowing our shareholders to focus on the many positives ahead for our young company. We intend to complete additional commodity streaming deals in 2012 that will strengthen and further diversify our asset base and with $40 million in cash on hand and $80 million in minimum cash flow guarantees, we are well positioned in the current market.”

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information contact Erfan Kazemi at (604) 689-0234.

Item 9 Date of Report

DATED as of this 23rd day of MARCH, 2012.

Sandstorm Metals & Energy Ltd.

By: *“Erfan Kazemi”*
Erfan Kazemi
Chief Financial Officer