PURCHASE AGREEMENT dated as of the 18th day of September, 2012.

B E T W E E N:

SANDSTORM GOLD LTD., a corporation incorporated and existing under the laws of the Province of British Columbia
("**Sandstorm Gold**")

- and -

SANDSTORM METALS & ENERGY LTD., a corporation incorporated and existing under the laws of the Province of British Columbia

("**Sandstorm Metals**")

WHEREAS Sandstorm Gold entered into a purchase agreement dated as of the date hereof with Colossus Minerals Inc. (the "**Guarantor"**) and Colossus Mineração Ltda. ("**Colossus Brazil"**) as the same may be amended, modified, supplemented, restated or revised from time to time (the "**Colossus SSL Metal Purchase Agreement**");

AND WHEREAS the Guarantor and Mineração Fazenda Monte Belo Ltda.are the owners of all of the issued and outstanding shares in the capital of Colossus Brazil;

AND WHEREAS Colossus Brazil is the owner of 75% of the issued and outstanding shares in the capital of Serra Pelada – Companhia de Desenvolvimento Mineral ("**SPCDM"**) and Cooperativa de Mineração dos Garimpeiros de Serra Pelada owns the remaining 25% of the issued and outstanding shares in the capital of SPCDM;

AND WHEREAS SPCDM owns 100% of the mineral rights under the process designated DNPM 850.425/90 (Area A), the option to acquire the mineral rights in respect of 700 hectares under the process designated DNPM 813.687/69 (Area B) and the right to acquire the mineral rights under the process designated DNPM 850.424/90 (Area C), in relation to which SPCDM plans to develop the Serra Pelada project for the production of gold, platinum and palladium, being Areas A, B and C more particularly described on the map set forth in Schedule "A" attached hereto and forming a part hereof (the "**Property**");

AND WHEREAS Colossus Brazil currently owns the mill and infrastructure used by or on behalf of SPCDM in connection with the Property, but not the related real property;

AND WHEREAS SPCDM is currently developing and constructing a mine on the Property, with a goal of beginning production in 2013;

AND WHEREAS pursuant to the Colossus Sandstorm Gold Purchase Agreement Colossus Brazil has agreed to sell to Sandstorm Gold and Sandstorm Gold has agreed to purchase from Colossus Brazil, Sandstorm Gold Payable Metals, all on and subject to the terms and conditions contained therein;

AND WHEREAS Sandstorm Gold has agreed to sell to Sandstorm Metals and Sandstorm Metals has agreed to purchase and acquire from Sandstorm Gold, Sandstorm Gold Payable Metals that are Pd, all on and subject to the terms and conditions contained herein;

AND WHEREAS Sandstorm Metals has agreed to deliver to Sandstorm Gold within one year from the date hereof, the sum of US$15.0 million (the "**SND Upfront Deposit"**) in consideration of the delivery and sale by Sandstorm Gold to Sandstorm Metals of all Sandstorm Metals Payable Metals (as hereinafter defined);

AND WHEREAS the SMSG Parties (as hereinafter defined) are therefore desirous of executing and delivering this Agreement, all on and subject to the terms and conditions contained herein;

NOW THEREFORE in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the SMSG Parties, the SMSG Parties mutually agree as follows:

1. Definitions

In this Agreement, the following capitalized terms shall have the respective meanings set forth below:

"**Business Day**" means any day other than a Saturday or Sunday or a day that is a statutory holiday in Vancouver, British Columbia, Toronto, Ontario or São Paulo, Brazil;

"**Colossus Brazil**" has the meaning set forth in the preambles to this Agreement;

"**Colossus SSL Metal Purchase Agreement**" has the meaning set forth in the preambles to this Agreement;

"**Execution Date**" means the date of the execution and delivery of this Agreement by the SMSG Parties;

"**Fixed Price**" means US$100 per ounce of Pd or Refined Pd, as the case may be, provided that the Fixed Price shall be subject to the Inflation Accelerator;

[redacted]

[redacted]

"**Guarantor**" has the meaning set forth in the preambles to this Agreement;

"**Increment Factor**" means:

(i) if the Buy-Back Option is exercised in full by Colossus Brazil, 50%, or

(ii) if the Buy-Back Option is exercised by Colossus Brazil but has not been exercised in full, 100% less the product of 10% and the number of Increments in respect of which the Buy-Back Option has been exercised;

“**Inflation Accelerator”** means an annual 1% increase to the Fixed Price of Pd, commencing on the First Review Date and compounded annually thereafter;

"**Losses**" means any and all damages, claims, losses, lost profits, liabilities, fines, injuries, costs, penalties and expenses (including reasonable legal fees), but excluding special damages, consequential damages and punitive damages;

“**Market Price**” means for each ounce of Refined Pd delivered and sold to Sandstorm Metals pursuant to this Agreement, the London p.m. fix for Pd as quoted in United States dollars by the London Platinum and Palladium Market (or any successor metals exchange) on the Business Day immediately prior to the date the Refined Pd is credited to the metal account of Sandstorm Metals;

“Metals Payment" means with respect to Pd produced from the Property purchased from Sandstorm Gold, the receipt by Sandstorm Gold from Colossus Brazil under the Colossus SSL Metal Purchase Agreement of payment or other consideration in respect of any Pd produced from the Property;

“**Metals Variance Cash Amounts**” shall have the meaning set forth in Section 5(h);

“**Monthly Statements**” shall have the meaning set forth in Section 3(b);

[redacted]

"**Payable Pd**" means the net number of ounces of Refined Pd for which Sandstorm Gold receives a Metals Payment from Colossus Brazil under the Colossus SSL Metal Purchase Agreement for Pd produced from the Property, which, for greater certainty, excludes the number of ounces of Pd deducted on account of smelting, refining or otherwise beneficiating such Pd into Refined Pd;

"**Pd**" means palladium;

“**Person**” means and includes individuals, corporations, bodies corporate, limited or general partnerships, joint stock companies, limited liability corporations, joint ventures, associations, companies, trusts, banks, trust companies, governments or any other type of organization, whether or not a legal entity;

"**Refined Pd**" means Pd that is refined to standards meeting or exceeding commercial standards for the sale of refined Pd;

“**Sandstorm Gold**” means Sandstorm Gold Ltd;

“**Sandstorm Gold Default Fee**” has the meaning set forth in Section 7(d);

“**Sandstorm Gold Event of Default**” has the meaning set forth in Section 7(b);

“**Sandstorm Metals**” means Sandstorm Metals & Energy Ltd;

“Sandstorm Gold IRR Amount" means the IRR Amount as defined in the Colossus SSL Metal Purchase Agreement;

"**Sandstorm Metals Payable Metals**" means the number of ounces that is 35% of the Payable Pd, provided that if the Buy-Back Option has been exercised in whole or in part by Colossus Brazil under the Colossus SSL Metal Purchase Agreement, each of the foregoing percentages will be multiplied by the Increment Factor.

For example, if the Buy-Back Option is exercised in full by Colossus Brazil under the Colossus Sandstorm Gold Purchase Agreement, then Sandstorm Metals Payable Metals means the number of ounces that is 17.5% of the Payable Pd.

For example, if the Buy-Back Option has been exercised by Colossus Brazil under the Colossus SSL Metal Purchase Agreement in respect of two Increments, then Sandstorm Metals Payable Metals means the number of ounces that is 28% of the Payable Pd.

“Sandstorm Metals Payable Metals Minimum Amounts" has the meaning set forth in Section 5(a);

"**Sandstorm Metals Place of Delivery for Pd**" has the meaning ascribed thereto in Section 6(a)(ii);

“**Sandstorm Metals Purchase Price**” means per ounce of Refined Pd:

1. the Market Price for Refined Pd, payable in cash, provided that if the Market Price for Refined Pd is greater than the Fixed Price for Refined Pd, an amount equal to the Fixed Price for Refined Pd will be payable in cash and an amount equal to the difference between the Market Price for Refined Pd and the Fixed Price for Refined Pd will be credited against the SND Upfront Deposit, so as to reduce the Sandstorm Metals Uncredited Balance; and

2. after the full amount of the SND Upfront Deposit has been credited and the remaining Sandstorm Metals Uncredited Balance is reduced to nil, the lesser of the Fixed Price for Refined Pd and the Market Price for Refined Pd, payable in cash;

“**Sandstorm Metals Time of Delivery**” has the meaning set forth in Section 6(d)(ii);

“**Sandstorm Metals Uncredited Balance”** means the uncredited balance of the SND Upfront Deposit;

"**Sandstorm Metals Uncredited Balance Refund Calculation**" has the meaning set forth in Section 3(e);

"**Sandstorm Metals Uncredited Balance Refund Notice**" has the meaning set forth in Section 3(d);

"**SND Upfront Deposit**" has the meaning set forth in the preambles to this Agreement;

"SMSG Demanding Party" has the meaning set forth in Section 11(b);

SMSG Dispute Notice" has the meaning set forth in Section 11(b);

"SMSG Parties" means the parties to this Agreement and "**SMSG Party**" means any one of the **SMSG** Parties;

"**SMSG Payable Metals**" means Payable Pd;

"**SMSG Responding Party**" has the meaning set forth in Section 11(b);

"**SMSG Statement of Claim**" has the meaning set forth in Section 11(b);

"SMSG Statement of Defence" has the meaning set forth in Section 11(b);

"**Term**" has the meaning set forth in Section 4(a);

Capitalized terms when used generally in this Agreement and not otherwise defined herein, shall have the respective meanings set forth in the Colossus SSL Metal Purchase Agreement. If a capitalized term is defined herein in a manner that is different than the definition in the Colossus SSL Metal Purchase Agreement, the meaning set forth herein shall be the meaning that is applicable to such capitalized term.

2. Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, from and after the date that Sandstorm Gold has delivered the Upfront Deposit to Colossus Brazil under the Colossus SSL Metal Purchase Agreement, Sandstorm Gold shall sell to Sandstorm Metals and Sandstorm Metals shall purchase from Sandstorm Gold Refined Pd equal in amount to the Sandstorm Metals Payable Metals, free and clear of any and all Encumbrances (other than any Encumbrances which may have been created by Sandstorm Metals). For greater certainty, Sandstorm Gold shall sell and Sandstorm Metals shall purchase the number of ounces of Pd that is equal to the Sandstorm Metals Payable Metals in respect of Pd. The obligations of Sandstorm Gold under this Agreement shall be to deliver and sell Refined Pd in a manner consistent with the terms of this Agreement. For greater certainty and without limitation, it is understood and agreed that Sandstorm Metals is only entitled to purchase Sandstorm Metals Payable Metals to that extent that Sandstorm Gold purchases Sandstorm Gold Payable Metals from Colossus Brazil. Sandstorm Gold shall use its best efforts to ensure that Sandstorm Metals purchases the correct amount of Sandstorm Metals Payable Metals (as and when Sandstorm Gold purchases the

Sandstorm Gold Payable Metals). For greater certainty and without limitation, it is understood and agreed that Sandstorm Gold shall not sell any Pd to Sandstorm Metals that have been purchased directly or indirectly on a commodities exchange provided that, for greater certainty and without limitation, purchases of Pd from an Offtaker or other smelter or refiner are not considered purchases directly or indirectly on a commodities exchange.

(b) For the purposes of this Agreement, for greater certainty, Payable Pd shall not include any ounces of Pd in respect of which Sandstorm Gold does not receive any Metals Payment from Colossus Brazil under the Colossus SSL Metal Purchase Agreement including as a result of normal metallurgical recovery losses or other metal deductions or retentions applied by an Offtaker pursuant to the terms of the applicable Offtake Agreement in determining amounts payable for the Pd.

(c) In the event that a Metals Payment consists of a provisional payment that may be adjusted upon final settlement between Sandstorm Gold and Colossus Brazil under the Colossus SSL Metal Purchase Agreement, Sandstorm Gold will sell and deliver to Sandstorm Metals an amount of Refined Pd based on the number of Sandstorm Metals Payable Metals reflected in the provisional payment, and when the final settlement of such delivery is determined, Sandstorm Gold will:

(i) if the provisional number of ounces for such delivery was less than the number of ounces in the final settlement for such delivery, deliver additional Refined Pd to Sandstorm Metals based on the applicable percentage and the amount of such difference; and

(ii) if the provisional number of ounces for such delivery was greater than the number of ounces in the final settlement for such delivery, set off and deduct such excess amount from the next required deliveries of Pd by Sandstorm Gold under this Agreement until the deficiency has been fully offset against deliveries to Sandstorm Metals of the Pd. Sandstorm Gold shall be entitled to such set off notwithstanding any other provision of this Agreement.

3. Provisions Regarding Closing and Other Matters

(a) Subject to the provisions of Section 3(a) of the Colossus SSL Metal Purchase Agreement, if the Upfront Deposit Funding Conditions are satisfied or waived by Sandstorm Gold before the Upfront Deposit Funding Date Deadline and Sandstorm Gold advances the Upfront Deposit to Colossus Brazil, Sandstorm Metals shall pay the SND Upfront Deposit to Sandstorm Gold within one year of the Upfront Deposit Funding Date. At the option of Sandstorm Metals, the SND Upfront Deposit shall be satisfied: (i) by a 100% cash payment; or (ii) subject to receipt of requisite regulatory approval, including without limitation, the approval of the TSX Venture Exchange, by the issuance by Sandstorm Metals of US$15.0 million worth of common shares in its capital, at an issue price equal to the 20 day volume weighted average closing price for the common shares ending on the business day prior to the date of issuance, provided that the number of common shares shall not be less than a minimum of 50,000,000 common shares nor more than a maximum of 60,000,000 common shares. If the dollar value of the said maximum of 60,000,000 common shares (based on the aforesaid issue price) should equal less than

US$15.0 million, then Sandstorm Metals shall pay in cash to Sandstorm Gold the difference between the said dollar value of the 60,0000,000 common shares and US$15.0 million.

(b) **[redacted]**

(c) Subject to the provisions of Section 5(h) and (i), if, by the expiry or earlier termination of the Term or the Extended Term, if applicable, Sandstorm Gold has not sold and delivered to Sandstorm Metals, Sandstorm Metals Payable Metals having a value sufficient to reduce the Sandstorm Metals Uncredited Balance to nil, then a refund of the Sandstorm Metals Uncredited Balance shall be due and owing by Sandstorm Gold to Sandstorm Metals in an amount equal to the then remaining Sandstorm Metals Uncredited Balance. For greater certainty and without limitation, a refund of the Sandstorm Metals Uncredited Balance shall only be due and owing by Sandstorm Gold to Sandstorm Metals if the Uncredited Balance shall be due and owing by Colossus Brazil to Sandstorm Gold under the Colossus SSL Metal Purchase Agreement. If a refund of the Sandstorm Metals Uncredited Balance shall be due and owing by Sandstorm Gold to Sandstorm Metals, Sandstorm Gold shall notify Sandstorm Metals (the "**Sandstorm Metals Uncredited Balance Refund Notice**") and the Sandstorm Metals Uncredited Balance Refund Notice shall attach a copy of the applicable Sandstorm Metals Uncredited Balance Refund Calculation.

(d) Within 90 days of the end of each fiscal year of Sandstorm Gold, Sandstorm Gold shall prepare a detailed statement setting out the calculations of the Sandstorm Metals Uncredited Balance on an annual basis (the "**Sandstorm Metals Uncredited Balance Refund Calculation**") and setting out the Sandstorm Metals Uncredited Balance Refund Calculation. Sandstorm Gold shall also prepare a final Sandstorm Metals Uncredited Balance Refund Calculation within 90 days of the expiry or earlier termination of the Term or the Extended Term, if applicable. Each successive Sandstorm Metals Uncredited Balance Refund Calculation shall include the aggregate information from previous Sandstorm Metals Uncredited Balance Refund Calculations, including without limitation, matters settled by the dispute resolution procedures set forth in Article 11. Sandstorm Metals shall have 60 days from the date of delivery of each Sandstorm Metals Uncredited Balance Refund Calculation to dispute the accuracy of an item therein. If Sandstorm Gold and Sandstorm Metals are unable to resolve any dispute with respect thereto, either SMSG Party shall have the right to elect to have the matter settled in accordance with the dispute resolution procedures set forth in Article 11. If Sandstorm Metals has not disputed the accuracy of an item in a Sandstorm Metals Uncredited Balance Refund Calculation within 90 days after the delivery thereof, then Sandstorm Metals will be deemed to have agreed with the Sandstorm Metals Uncredited Balance Refund Calculation.

(e) If Colossus Brazil shall exercise the Buy-Back Option with respect to one or more Increments, within the Buy-Back Option Term as provided in the Colossus SSL Metal Purchase Agreement, Sandstorm Gold shall send a written notice of such exercise to Sandstorm Metals. Forthwith after payment of the Buy-Back Option Price from Colossus Brazil to Sandstorm Gold in connection with any exercise of the Buy-Back Option: (i) Sandstorm Gold shall remit 20% of the same to Sandstorm Metals; and (ii) Sandstorm Metals Payable Metals shall be reduced as provided in the definition of Sandstorm Metals Payable Metals. If the Buy-Back Option is exercised in full by Colossus Brazil as provided in the Colossus SSL Metal Purchase Agreement, the Sandstorm Metals Uncredited Balance shall be reduced by US$7,500,000. If the Buy-Back Option is exercised by Colossus Brazil as provided in the Colossus SSL Metal Purchase Agreement in Increments, the Sandstorm Metals Uncredited Balance will be reduced by US$1,500,000 for each Increment purchased.

4. Term

(a) The term of this Agreement shall commence on the date hereof and subject to Articles 5 and 7, shall continue until the date that is 40 years after the Execution Date (the "**Term**").

(b) At the end of the Term, this Agreement shall automatically terminate if Sandstorm Gold shall terminate the Colossus SSL Metal Purchase Agreement, failing which this Agreement shall continue in force for successive ten year periods (each, an "**Extended Term**") until the date upon which Sandstorm Gold shall terminate the Colossus SSL Metal Purchase Agreement.

(c) If there shall be no Commercial Production for a period of ten consecutive years commencing on or after the thirtieth anniversary of the Execution Date then the only provisions of this Agreement that shall remain in force shall be Articles 2, 6, 8 and 9, and all other provisions of this Agreement shall terminate.

5. Covenants Regarding Sandstorm Metals Payable Metals Minimum Amounts and Palladium Equivalent Uncredited Balance and Gold Equivalent Uncredited Balance

(a) Sandstorm Gold hereby covenants to and in favour of Sandstorm Metals that during the Term, Sandstorm Gold shall sell to Sandstorm Metals a minimum quantity of Pd pursuant to this Agreement (the "**Sandstorm Metals Payable Metals Minimum Amounts**"), if as and when received by Colossus Brazil under the Colossus SSL Metal Purchase Agreement, as follows:

(i) a minimum of 2,900 ounces of Refined Pd in calendar year 2014;

(ii) a minimum of 10,600 ounces of Refined Pd in calendar year 2015;

(iii) a minimum of 9,600 ounces of Refined Pd in calendar year 2016;

(iv) a minimum of 9,600 ounces of Refined Pd in calendar year 2017;

(v) a minimum of 8,300 ounces of Refined Pd in calendar year 2018; and

(vi) a minimum of 8,300 ounces of Refined Pd in each of the calendar years 2019 through and including 2023.

If the Sandstorm Gold IRR Amount is reached under the Colossus SSL Metal Purchase Agreement, then the provisions set forth in this section with respect to the Sandstorm Metals Minimum Amounts shall terminate and shall no longer be applicable.

(b) If in any calendar year, Sandstorm Gold shall have delivered Refined Pd to Sandstorm Metals in excess of the applicable calendar year's Sandstorm Metals Payable Metals Minimum Amounts for Refined Pd, then such excess Refined Pd shall be credited against and reduce the next successive calendar year's (or years', if the excess is greater than the Sandstorm Metal Payable Metals Minimum Amounts for Refined Pd for the next successive calendar year) Sandstorm Metals Payable Metals Minimum Amounts for Refined Pd.

(c) If in any calendar year, Sandstorm Gold shall have delivered Refined Pd to Sandstorm Metals that is less than the applicable calendar year's Sandstorm Metals Payable Metals Minimum Amounts for Refined Pd, then, to the extent that any deficiency remains after the application of Section 5(b), within 30 days following the end of the applicable calendar year, Sandstorm Gold shall deliver to Sandstorm Metals, without set-off or deduction, an amount of Refined Pd equal to the amount of such deficiency (and for greater certainty and without limitation, Sandstorm Metals shall pay the Sandstorm Metals Purchase Price for any such Refined Pd).

(d) For greater certainty and without limitation, any Refined Pd delivered to Sandstorm Metals shall constitute Refined Pd delivered to Sandstorm Metals for the purposes of this Agreement.

(e) Failure to comply with this Section shall constitute a Sandstorm Gold Event of Default pursuant to Article 7.

(f) Notwithstanding the foregoing provisions of this Article 5, the Sandstorm Metals Payable Metals Minimum Amounts shall not be owed at the end of a given calendar year if the mine located on the Property has been in production for less than 180 days during the applicable calendar year. In such event, the subsequent calendar years in Section 5(a) shall each be deemed to be pushed back by one calendar year.

(g) If the Buy-Back Option is exercised by Colossus Brazil under the Colossus SSL Metal Purchase Agreement, then each of the numbers of ounces set forth in subsections 5(a)(i) through (vi) through above (inclusive), shall be reduced by multiplying such numbers of ounces by the Increment Factor but only for calendar years after the Buy-Back Option has been exercised by Colossus Brazil under the Colossus SSL Metal Purchase Agreement. In any calendar year in which the Buy-Back Option is exercised by Colossus Brazil under the Colossus SSL Metal Purchase Agreement, the Sandstorm Metals Payable Metals Minimum Amounts shall be reduced (or, if applicable, further reduced) as provided in the preceding sentence on a *pro rata* basis to take into account such exercise(s) and the related reduction(s) in Sandstorm Metal’s right to purchase Pd hereunder.

(h) **[redacted]**

6. Delivery of Pd, Payments and Documentation in Respect of Offtake

(a) Commencing as of the Upfront Deposit Funding Date and during the Term and the Extended Term, Sandstorm Gold shall deliver all Refined Pd required to be delivered to Sandstorm Metals pursuant to this Agreement to a metals account at an international bullion and metals bank designated by Sandstorm Metals in writing from time to time at least five Business Days prior to the date of delivery (the "**Sandstorm Metals Place of Delivery for Pd**").

(b) Sandstorm Gold shall notify Sandstorm Metals in writing at least one Business Day before any delivery and credit to the metals account of Sandstorm Metals of the number of ounces of Refined Pd to be delivered and credited to the Sandstorm Metals Place of Delivery for Pd and the estimated date and time of delivery and credit.

(c) Within 16 Business Days after Sandstorm Gold receives a Metals Payment from Colossus Brazil in respect of Pd produced from the Property, Sandstorm Gold shall deliver the applicable Refined Pd to the Sandstorm Metals Place of Delivery for Pd.

(d) Delivery of all Refined Pd shall be deemed to have been made at the time such Refined Pd is credited to the Sandstorm Metals Place of Delivery for Pd (the "**Sandstorm Metals Time of Delivery**").

(e) Title to and risk of loss of Refined Pd shall pass from Sandstorm Gold to Sandstorm Metals at the applicable Sandstorm Metals Time of Delivery.

(f) Sandstorm Gold hereby represents and warrants to Sandstorm Metals that, immediately prior to each Sandstorm Metals Time of Delivery, (i) Sandstorm Gold will be the legal and beneficial owner of the Refined Pd delivered and credited to the metal account of Sandstorm Metals at such Sandstorm Metals Time of Delivery, (ii) Sandstorm Gold will have good, valid and marketable title to such Refined Pd, and (iii) on Transfer to Sandstorm Metals against receipt of full payment therefor such Refined Pd shall be free and clear of all Encumbrances related to Sandstorm Gold.

(g) All Deductions relating to each shipment of Minerals produced from the Property and/or Payable Pd and all costs and expenses pertaining to the delivery and credit of Refined Pd to the place of delivery shall be borne by Sandstorm Gold.

(h) At each applicable Sandstorm Metals Time of Delivery, Sandstorm Gold shall deliver to Sandstorm Metals an invoice setting out the number of ounces of Refined Pd so credited and the Sandstorm Metals Purchase Price for such Refined Pd.

(i) If Sandstorm Metals disputes the accuracy of any invoice, it shall notify Sandstorm Gold within six months from the earlier of the date of receipt by Sandstorm Metals of such invoice and the date of credit to the metal account of Sandstorm Metals of the applicable Refined Pd, provided that such dispute shall not relieve Sandstorm Metals from complying with its payment obligations pursuant to Section 5(k) pending resolution of such dispute.

(j) Sandstorm Metals shall pay for each shipment of Refined Pd promptly and in any event not later than five Business Days after the Sandstorm Metals Time of Delivery and receipt of any invoice for such Refined Pd.

(k) All payments for Refined Pd by Sandstorm Metals to Sandstorm Gold shall be made in US Dollars and shall be made by wire transfer in immediately available funds to the bank account or accounts designated by Sandstorm Gold in writing from time to time, without deduction or set-off.

(l) Any payment not made on or by the applicable payment date referred to in this Article 5 shall incur interest until such payment is made at a rate equal to Prime plus 2% per annum, compounded and calculated daily (based on the number of days in the calendar year) and payable on demand, whether before or following demand, default or judgment.

(m) If Sandstorm Metals has not made any payment in relation to Refined Pd delivered to Sandstorm Metals pursuant to this Agreement on or by the applicable payment date referred to in this Article 6 from and after the date that is 30 days following delivery by Sandstorm Gold to Sandstorm Metals of notice of such non-payment, Sandstorm Gold shall have the right to set off in respect of any such non-payment (including interest at a rate equal to Prime plus 2% compounded, calculated and payable as aforesaid) and withhold from future delivery to Sandstorm Metals an amount of Refined Pd equal in value to such non-payment (including interest), which shall become the sole property of Sandstorm Gold, and to reduce the Sandstorm Metals Uncredited Balance by the value of such Refined Pd withheld from delivery to Sandstorm Metals. For the purposes of this Section, any amount of Refined Pd set off and withheld in respect of any non-payment amount shall be valued at the Market Price (determined based on the date such amount of Refined Pd would have been credited to the metal account of Sandstorm Metals in accordance with this Article but for such non-payment) less the Fixed Price for the Pd.

7. Early Termination

(a) The SMSG Parties may terminate this Agreement at any time by mutual written consent.

(b) If there shall occur a Colossus Brazil Event of Default under the Colossus SSL Metal Purchase Agreement, there shall be deemed to have occurred an event of default by Sandstorm Gold hereunder (the "**Sandstorm Gold Event of Default**") and Sandstorm Gold shall owe Sandstorm Metals the Sandstorm Gold Default Fee forthwith upon receipt by Sandstorm Gold of the Colossus Brazil Default Fee under the Colossus SSL Metal Purchase Agreement. **[redacted]**

Notwithstanding any other provision of this Section, at all times throughout the Term and the Extended Term, as the case may be, Sandstorm Metals, at its own sole option and its own sole discretion, shall have the right to waive one or more Sandstorm Gold Events of Default effective as at and from the occurrence of any such Sandstorm Gold Event of Default.

(c) **[redacted]**

(d) **[redacted]**

(e) If Sandstorm Metals elects to demand payment of the Sandstorm Gold Default Fee, this Agreement shall be deemed terminated upon the payment by or on behalf of Sandstorm Gold of the Sandstorm Gold Default Fee.

(f) If Sandstorm Gold terminates the Colossus SSL Metal Purchase Agreement as a result of a Forfeiture Event, then Sandstorm Metals also shall be deemed to have elected to terminate this Agreement and Sandstorm Metals shall have the right to demand payment of its share of the Sandstorm Gold IRR Amount, which for greater certainty and without limitation, shall include the Sandstorm Metals Uncredited Balance and which shall only be paid if Sandstorm Gold receives the Sandstorm Gold IRR Amount under the Colossus SSL Metal Purchase Agreement.

If Sandstorm Metals elects to demand payment under this Section and receives the Sandstorm Gold IRR Amount this Agreement shall be deemed terminated.

(g) If a Forfeiture Event occurs and a Sandstorm Gold Event of Default occurs as a result of such Forfeiture Event or while such Forfeiture Event is continuing, then the remedy available to Sandstorm Metals shall be the remedy set forth in Section 7(f) and not the remedy set forth in Section 7(b) and Section 7(d).

(h) The SMSG Parties hereby acknowledge that Sandstorm Metals will be damaged by a Sandstorm Gold Event of Default and any sums payable or retainable pursuant to this Article 7 upon the occurrence of a Sandstorm Gold Event of Default are in the nature of liquidated damages, not a penalty and are fair and reasonable. The SMSG Parties hereby acknowledge that Sandstorm Metals will be damaged by a Forfeiture Event and any sums payable or retainable pursuant to this Article 7 upon the occurrence of a Forfeiture Event are in the nature of liquidated damages, not a penalty and are fair and reasonable.

(i) Termination of this Agreement under this Article 7 shall not terminate any payment or delivery obligation hereunder that arose prior to the time of termination, except to the extent such obligation was included in the determination of the Sandstorm Gold Default Fee or other amount payable in respect of the termination of this Agreement under this Article 7.

8. Transfer Rights of Sandstorm Gold

During the Term or the Extended Term, as the case may be, Sandstorm Gold shall have the right to Transfer or encumber, in whole or in part, its rights and obligations under this Agreement to another party upon the delivery to Sandstorm Metals of ten Business Days prior written notice. In such a case, provided that such other party has agreed to be bound by such Transferred or encumbered obligations under this Agreement, Sandstorm Gold shall be released from such Transferred obligations under this Agreement.

Notwithstanding the foregoing, during the Term or the Extended Term, as the case may be, Sandstorm Gold shall have the right to Transfer by way of Encumbrance, in whole or in part, its rights and obligations under this Agreement to one or more lenders providing financing to Sandstorm Gold without notice to, or the consent of, Sandstorm Metals If such transferee enforces such Encumbrance it will provide notice to Sandstorm Gold and upon delivery of such notice, which notice shall confirm that such transferee agrees to be bound by such Transferred obligations under this Agreement, such transferee shall become a party to this Agreement with all of the rights and obligations of Sandstorm Gold. Sandstorm Gold shall not be released from its obligations under this Agreement in the case of a Transfer by way of Encumbrance which is subsequently enforced by such transferee.

9. Transfer Rights of Sandstorm Metals

During the Term or the Extended Term, as the case may be, Sandstorm Metals shall have the right to Transfer or encumber, in whole or in part, its rights and obligations under this Agreement to another party upon the delivery to Sandstorm Gold of ten Business Days prior written notice. In such a case, provided that such other party has agreed to be bound by such Transferred or encumbered obligations under this Agreement, Sandstorm Metals shall be released from such Transferred obligations under this Agreement.

Notwithstanding the foregoing, during the Term or the Extended Term, as the case may be, Sandstorm Metals shall have the right to Transfer by way of Encumbrance, in whole or in part, its rights and obligations under this Agreement to one or more lenders providing financing to Sandstorm Metals without notice to, or the consent of, Sandstorm Gold. If such transferee enforces such Encumbrance it will provide notice to Sandstorm Gold and upon delivery of such notice, which notice shall confirm that such transferee agrees to be bound by such Transferred obligations under this Agreement, such transferee shall become a party to this Agreement with all of the rights and obligations of Sandstorm Metals. Sandstorm Metals shall not be released from its obligations under this Agreement in the case of a Transfer by way of Encumbrance which is subsequently enforced by such transferee.

10. Confidentiality

(a) Subject to Section 10(b), neither Sandstorm Gold nor Sandstorm Metals without the express written consent of the other SMSG Party may disclose any non-public information received under or in connection with this Agreement, other than to its respective directors, employees, agents, bankers, consultants, requisite regulatory authorities and/or prospective Transferees and neither SMSG Party shall issue any press releases concerning any of the terms or provisions of this Agreement without the consent of the other SMSG Party, after the other SMSG Party has first reviewed the terms of such press release and had a reasonable opportunity to comment thereon (to the extent practicable). Each SMSG Party agrees to reveal such information only to its respective directors, employees, agents, bankers, consultants and/or prospective transferees who need to know, who are informed of the confidential nature of the information and who agree to be bound by the terms of this Article 10. In addition, neither SMSG Party shall use any such information for its own use or benefit except for the purpose of enforcing its rights under this Agreement.

(b) Notwithstanding the foregoing:

(i) Sandstorm Gold shall be entitled to publicly file a copy of this Agreement in such manner(s) as may be required by applicable securities laws (subject to such redactions as may be permitted by applicable law which Sandstorm Gold may reasonably require);

(ii) each SMSG Party may disclose information about or obtained under this Agreement (i) if required to do so to comply with applicable laws, rules, regulations or orders of any governmental authority or stock exchange having jurisdiction over such SMSG Party provided that the other SMSG Party shall be given the right to review and object to the data or information to be disclosed prior to any public release subject to any reasonable changes proposed by such other SMSG Party; and (ii) to allow a current or potential *bona fide* provider of finance or a potential *bona fide* purchaser to conduct due diligence, provided that such SMSG Party has customary confidentiality arrangements in place with such finance provider or purchaser; and

(iii) each SMSG Party may disclose information for the purposes of any arbitration proceeding commenced under Article 11 of this Agreement.

11. Arbitration

(a) In the event of a dispute in relation to this Agreement, including, the existence, validity, performance, breach or termination hereof or any matter arising hereunder, including whether any matter is subject to arbitration, the SMSG Parties agree to negotiate diligently and in good faith in an attempt to resolve such dispute. Failing a negotiated resolution satisfactory to all SMSG Parties, either SMSG Party may, after 90 days have passed since negotiations were initiated or attempted, request that the dispute be resolved by binding arbitration, conducted in English, in Toronto, Ontario, in accordance with the *International Commercial Arbitration Act* (Ontario).

(b) To request that a dispute be referred to arbitration either SMSG Party (the "**SMSG Demanding Party**") shall give written notice (the "**SMSG Dispute Notice**") to the other SMSG Party (the "**SMSG Responding Party**"). Receipt of the SMSG Dispute Notice by the SMSG Responding Party shall toll the running of any applicable limitations of actions by law or under this Agreement and shall commence the arbitral proceedings. The SMSG Dispute Notice shall specify the nature of the allegation and the issues in dispute, the amount or value involved (if applicable) and the remedy requested. Within 10 Business Days of delivery of the SMSG Dispute Notice, the SMSG Demanding Party shall deliver a statement of claim ("**SMSG Statement of Claim**") in accordance with Article 23 of the Model Law. Within 30 Business Days of receipt of the SMSG Statement of Claim, the respondent shall deliver a statement of defence ("**SMSG Statement of Defence**") in accordance with Article 23 of the Model Law.

(c) The SMSG Demanding Party and the SMSG Responding Party shall mutually agree upon one single qualified arbitrator within seven Business Days of the delivery of the SMSG Statement of Defence, failing which either SMSG Party may request a court of competent jurisdiction in the Province of Ontario to appoint one qualified arbitrator. The arbitrator shall be a disinterested person qualified by experience to hear and determine the issues to be arbitrated.

(d) The arbitrator may determine all questions of law and jurisdiction (including questions as to whether or not a dispute is arbitrable).

(e) Subject to any further agreement of the SMSG Parties to the contrary, the SMSG Parties agree that the arbitrator shall hold oral hearings for the presentation of evidence and for oral argument.

(f) No later than 15 Business Days after hearing the representations and evidence of the SMSG Parties, the arbitrator shall make its final award in writing and shall deliver one copy to each of the SMSG Parties. The final award of the arbitrator shall be final and binding upon the SMSG Parties in respect of all matters relating to the arbitration, the procedure, the conduct of the SMSG Parties during the proceedings and the final determination of the issues in the arbitration. There shall be no appeal from the determination of the arbitrator to any court. For greater clarity, the only available recourse against the arbitrator's award on the merits is that set out in Article 34 of the Model Law. The SMSG Parties agree that the recourse to a court from a preliminary ruling on jurisdiction as specified in Article 16(3) of the Model Law is also available. The decision rendered by the arbitrator may be entered into any court for enforcement purposes.

(g) The arbitrator shall have the right to grant legal and equitable relief and to award costs (including legal fees and the costs of arbitration) and interest. The costs of any arbitration shall be borne by the SMSG Parties in the manner specified by the arbitrator in its determination, if applicable. The arbitrator may make an interim order, including injunctive relief and other provisional, protective or conservatory measures, as well as orders seeking assistance from a court in taking or compelling evidence or preserving and producing documents regarding the subject matter of the dispute.

(h) The SMSG Parties agree that the arbitrator shall be entitled to appoint any experts to report to it.

(i) The SMSG Parties agree that the arbitrator shall decide the dispute in accordance with the laws of Ontario and the federal laws of Canada that are applicable therein.

(j) All papers, notices or process pertaining to an arbitration hereunder may be served on a Party as provided in this Agreement.

(k) The SMSG Parties agree to treat as confidential information, in accordance with the provisions of Article 10, the following: the existence of the arbitral proceedings; written notices, pleadings and correspondence in relation to the arbitration; reports, summaries, witness statements and other documents prepared in respect of the arbitration; documents exchanged for the purposes of the arbitration; and the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing part of this Section, an SMSG Party may disclose such confidential information in judicial proceedings to enforce an award or ruling or to seek recourse pursuant to Articles 16(3) and/or 34 of the Model Law. An SMSG Party may also disclose such confidential information to its auditors and as otherwise may be required by law.

12. Taxes and Royalties

(a) Each Party shall pay such taxes, duties or other charges of whatever nature imposed by any taxing or governmental authority, payable by such Party under applicable law in respect of a delivery of Refined Metals or a payment made by a Party hereunder. If Sandstorm Gold is required by applicable law to withhold or deduct any amount in respect of taxes, duties or other charges, as the case may be, then notwithstanding any other provision of this Agreement, Sandstorm Gold shall be entitled to so withhold and/or deduct without any gross-up or other compensation to Sandstorm Metals except as provided in Section 12(b). The amount of any deduction or withholding required under applicable law shall not reduce the amount of the Sandstorm Metals Uncredited Balance .

(b) Where a delivery of Refined Metals or a payment hereunder is subject to any deduction or withholding under applicable law by reason (only) of the imposition of a royalty payment obligation (and not, for greater certainty, taxes, duties or other charges) imposed pursuant to Brazilian law on the delivery of Refined Metals to Sandstorm Metals pursuant to this Agreement, the amount of the Refined Metals or a payment shall be increased to an amount equal to the sum the receiving Party would have received had no such deductions or withholding been required. This Section 12 (b) shall not apply to any royalties imposed pursuant to Brazilian law arising as a result of the jurisdiction where Sandstorm Metals has elected to take delivery of Refined Metals or the jurisdiction where Sandstorm Metals or its activities are located.

(c) **[redacted]**

13. General Provisions

(a) Each SMSG Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effect the transaction contemplated herein, in each case at the cost and expense of the SMSG Party requesting such further instrument, document or action, unless expressly indicated otherwise.

(b) Nothing herein shall be construed to create, expressly or by implication, a joint venture, agency relationship, fiduciary relationship, mining partnership, commercial partnership or other partnership relationship between Sandstorm Gold and Sandstorm Metals.

(c) This Agreement shall be governed by and be construed under the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

(d) Time is of the essence of this Agreement.

(e) All references in this Agreement to currency or to “$”, unless otherwise expressly indicated, shall be to United States dollars.

(f) If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of this Agreement which shall be construed as if this Agreement had been executed without the invalid portion.

(g) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered by hand or transmitted by facsimile transmission addressed to:

If to Sandstorm Metals:

Suite 1400, 400 Burrard Street
Vancouver, BC V6C 3A6

Attention: President and Chief Executive Officer
Fax Number: (604) 689-7317

If to Sandstorm Gold, to:

Suite 1400, 400 Burrard Street
Vancouver, BC V6C 3A6

Attention: President and Chief Executive Officer
Fax Number: (604) 689-7317

Any notice given in accordance with this Section, if transmitted by facsimile transmission, shall be deemed to have been received on the next Business Day following transmission or, if delivered by hand, shall be deemed to have been received when delivered.

(h) This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the SMSG Parties. The failure by either SMSG Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision unless such waiver is acknowledged in writing, nor shall such failure affect the validity of this Agreement or any part thereof or the right of an SMSG Party to enforce each and every provision. No waiver or breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

(i) Following the execution and delivery of this Agreement, each of the SMSG will co-operate reasonably with the other SMSG Party in implementing any proposed adjustments to the structure of this Agreement to facilitate tax planning, provided that such adjustments have no material adverse impact on the non-proposing SMSG Party and that such adjustments shall not result in the non-proposing SMSG Party incurring any significant costs.

(j) This Agreement may be executed in one or more counterparts and by the SMSG Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

(k) This Agreement shall enure to the benefit of and shall be binding on and shall be enforceable by the SMSG Parties and their respective, successors and permitted assigns.

(l) The SMSG Parties have expressly required that this Agreement and all notices relating hereto and documents to be delivered be drafted in English. Les parties aux présentes reconnaissent et confirment qu'elles ont convenu que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.

(m) This Agreement constitutes the entire agreement between the SMSG Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, among the SMSG Parties.

(n) The SMSG Parties may agree to enter into other financial instruments or agreements to supplement the pricing in this Agreement.

SIGNATURE BLOCKS APPEAR ON NEXT PAGE

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

SANDSTORM GOLD LTD.

Per: *"Nolan Watson"*

____
Authorized Signing Officer

____
Authorized Signing Officer

SANDSTORM METALS & ENERGY LTD.

Per: *"Erfan Kazemi"*

____
Authorized Signing Officer

SCHEDULE “A”

DESCRIPTION OF SERRA PELADA PROPERTY