

Sandstorm Resources Announces an Updated Technical Report and Provides an Update on Mine Operations at Brigus Gold's Black Fox Mine

06.01.2011 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA -- ([Marketwire](#) - Jan. 6, 2011) - [Sandstorm Resources Ltd.](#) ("Sandstorm" or the "Company") (TSX VENTURE: SSL) announces the results from a recently completed independent Technical Report (the "Report") from Sandstorm's partner company [Brigus Gold Corp.](#) ("Brigus") (TSX: BRD) and its Black Fox Mine (the "Black Fox Mine") in the Timmins Gold District, Ontario, Canada. In accordance with Sandstorm's gold purchase agreement with Brigus, Sandstorm is entitled to purchase 12% of the life of mine gold produced from the Black Fox Mine at a per ounce price equal to the lesser of US\$500 and the then prevailing market price. The Report was based on the mine operations and reserves as of October 31, 2010 and was prepared in compliance with Canadian National Instrument 43-101 ("NI 43-101") by Wardrop Engineering Inc., a Tetra Tech Company, with assistance from the Brigus staff. All currency is reported in US dollars.

Highlights from the Black Fox Report include:

- Mine life of 8.6 years based on existing reserves.
- Processing rate of 730,000 tonnes per annum (2,000 tonnes per day ("tpd")) and a recovery rate of 94%.
- Average cash operating costs of \$502 per ounce (\$66.94 per tonne milled)
- Average annual production of 104,000 ounces of gold over the next five years of production.

Potential upside exists beyond the results of the Report as it excludes anticipated extensions to the Black Fox ore body that remain open at depth and along strike.

Estimated Mineral Resources

As of October 31, 2010, Indicated Resources at Black Fox, including reserves, were estimated at 1,031,400 ounces of gold within 5.7 million tonnes of ore at an average gold grade of 5.7 grams per tonne ("g/t"). Additional Inferred Resources were estimated at 77,500 ounces of gold within 0.8 million tonnes of ore at 3.1 g/t. Follow up and infill drilling around these drill holes provides Brigus with high-priority exploration targets and a further opportunity for future resource additions. The gold mineral resource statement in the Report was reported at a 0.88 g/t cut-off grade for the open pit and at a 2.54 g/t cut-off grade for the underground.

The resource estimate as of October 31, 2010 shows Indicated Resources, including Probable Reserves and Inferred Resources as follows:

Table 1: Estimated Gold Mineral Resources for the Black Fox Mine (at October 31, 2010)

| Resources | Cutoff (g/t Au) | Classification | Tonnes | Gold Grade (g/t) | Contained Gold (oz) |
|--|--------------------|----------------|-----------|---------------------|------------------------|
| Open Pit | >=0.88 | Indicated | 3,164,200 | 4.4 | 452,197 |
| Open Pit | >=0.88 | Inferred | 667,100 | 2.6 | 55,979 |
| Underground | >=2.54 | Indicated | 2,504,800 | 7.2 | 579,182 |
| Underground | >=2.54 | Inferred | 115,200 | 5.8 | 21,541 |
| Total Indicated Resources (including reserves) | | | 5,669,000 | 5.7 | 1,031,379 |
| Total Inferred Resources | | | 782,300 | 3.1 | 77,520 |

(See footnotes for Resources and Reserves after the Reserves table)

Estimated Mineral Reserves

According to the Report, Black Fox's estimated gold mineral reserves total 0.9 million ounces of gold within 6.4 million tonnes at an average gold grade of 4.4 g/t. The economic analysis in the Report was based on the following gold mineral reserve estimate as of October 31, 2010:

Table 2: Estimated Gold Mineral Reserves for the Black Fox Mine (at October 31, 2010)

| Resources | Cutoff (g/t Au) | Classification | Tonnes | Gold Grade (g/t) | Contained Gold (oz) |
|---------------------------|--------------------|----------------|-----------|---------------------|------------------------|
| Open Pit | >=0.88 | Probable | 3,159,800 | 3.2 | 327,920 |
| Underground | >=2.54 | Probable | 2,936,000 | 5.9 | 560,008 |
| Stockpile | | Proven | 352,068 | 1.6 | 18,446 |
| Total Proven and Probable | | | 6,447,868 | 4.4 | 906,375 |

Footnotes to Tables 1 and 2:

1. Indicated Resources include Probable Reserves.
2. Metal prices used for initial cut-off calculations are \$1,150 per oz for 88% of the gold sold and \$500 per oz for gold sold through the gold purchase agreement.
3. The estimated underground reserves include 10% unplanned dilution at 0 g/t grade from the backfill and 15% planned dilution at 1 g/t from the walls for a total of 25% dilution. The estimated open pit reserves include 30% dilution at 0 g/t and a 95% mining recovery factor for both. The higher average gold grades for the open pit and underground in the Indicated Resources compared to the Probable Reserves are the result of no dilution being applied to Indicated Resources.
4. The estimated mineral resources are not mineral reserves and do not have demonstrated economic viability.
5. Numbers may not sum as they have been rounded in all categories to reflect the precision of the estimates.
6. The mineral resources were estimated using the ordinary kriging method.
7. The mineral reserves were estimated from the life of mine plan, which defined sustaining capital requirements and mine operating costs, to demonstrate that these reserves can be economically extracted and processed. Mining losses and dilution were determined based on sub-surface geotechnical conditions, the mining method employed and equipment capabilities for each area of the mine.
8. Contained metal in estimated reserves remains subject to metallurgical recovery losses.

A summary of the economic results for the base case are as follows:

Table 3: Technical Economic Results for the Black Fox Mine (at January 1, 2011)

| Description | Technical | Input or Result |
|-----------------------------------|-------------------------|-----------------|
| Ore | | |
| Open Pit | | |
| Waste | 31,742,315 tonnes ("t") | |
| Ore | 3,101,515 t | |
| Total | 34,843,830 t | |
| Grade | 3.213 g/t | |
| Contained Gold | 320,370 oz | |
| Underground | | |
| Total Development | 10,166 metres | |
| Ore | 2,928,318 t | |
| Grade | 5.936 g/t | |
| Contained Gold | 558,849 oz | |
| Mill | | |
| Ore Treated | | |
| Mill tonnes | 6,248,669 t | |
| Ore Grade | 4.419 g/t | |
| Contained Gold | 887,754 oz | |
| Recovered Gold @ 94% | 834,488 oz | |
| Revenue (\$000s) | | |
| Gross Revenue | \$933,241 | |
| Refining & Transportation Charges | | (\$1,097) |
| Net Smelter Return | \$932,144 | |
| Royalty | \$0 | |
| Gross Income From Mining | \$932,144 | |
| Realized Price (Gold) | \$1118/oz | |
| Operating Cost (\$000s) | | |
| Open Pit Mine | (\$90,954) | |
| Underground Mine | (\$165,391) | |
| Ore Handling | (\$33,180) | |
| Mill | (\$86,419) | |
| Assay Lab | (\$12,033) | |
| G&A | (\$30,696) | |
| Operating Costs | (\$418,314) | |
| | \$502/oz | |
| | \$66.94/t milled | |
| Cash Operating Margin | \$513,829 | |
| | \$616/oz | |
| | \$82.23/t milled | |
| Capital Cost | | |
| Open Pit | (\$11,747) | |
| Underground Mine | (\$62,137) | |
| Environment | (\$206) | |
| Mill | (\$728) | |
| Total Capital | (\$74,818) | |
| Cash Flow | \$439,012 | |
| (NPV 5%) | \$359,386 | |

Upside Opportunities

Brigus believes that there is significant upside opportunity for additions to reserves and resources from its ongoing exploration drilling program within the 42 square kilometre Black Fox Complex including potential extensions to the Black Fox ore body.

The Report identifies the following upside operating opportunities:

- Potential expansion and further optimization of the mill to enhance the gold recovery rate by expanding, or optimizing, the grinding and leaching circuit.
- The deposit exhibits good potential for additional resources at depth and along strike.
- Cut and fill stopes have been conservatively designed and in wider areas will support higher productivity and lower unit costs.

- Evaluation of long hole stoping methods for steeply dipping ore blocks to enhance underground mining productivity and lower mining costs.
- Toll processing of lower grade, open pit ore stockpiles.

Black Fox Operation Update

Following the mid-2010 merger of [Linear Gold Corp.](#) and [Apollo Gold Corporation](#), Brigus has optimized mining operations in the open pit while simultaneously initiating underground mine development at Black Fox. To date, ongoing development of the new underground infrastructure has been slower than anticipated. Completion of the new vent raise and portal are now targeted for completion by mid-February 2011. Construction and relocation of the vent raise and portal continue to result in logistical issues that have significantly restricted ore production from the open pit. During this transitional period the Black Fox Mill has continued to operate at 2,000 tpd by drawing down low-grade stockpiles (

Brigus is committed to the completion of the underground development and near-term commencement of commercial production levels. The new vent raise and portal is nearing completion and when complete will result in the attainment of commercial production during the first quarter of 2011 and quarterly production increases over the balance of the year. The 2011 mine plan is being adjusted to reflect the updated schedule and revised guidance will be provided following completion of the portal and vent raise.

Qualified Persons

The Qualified Persons who reviewed the technical information of this news release were Richard Allan, P. Eng. and Vice President and Chief Operating Officer for Brigus and Tim Maunula, P. Geo., for Wardrop in regards to the references to the Report.

For more information on the Black Fox Mine, please visit the Brigus website at www.brigusgold.com.

ABOUT SANDSTORM RESOURCES

Sandstorm Resources Ltd. is a growth focused resource based company that seeks to complete transactions with companies that have advanced stage development projects or operating mines. By making upfront payments to its partners, Sandstorm receives gold purchase agreements (i.e. metal stream deals). Sandstorm helps other companies in the resource industry grow their businesses, 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](#) and [Brigus Gold Corp.](#) For more information visit: www.sandstormresources.com

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