TORONTO, ONTARIO--(Marketwired - Sep 22, 2016) - Sandy Lake Gold Inc. ("Sandy Lake") (TSX VENTURE:SDL) announces that it has received a formal notice of arbitration (the "Notice") pursuant to the option agreement between GPM Metals Inc. ("GPM") and Goldeye Explorations Ltd. ("Goldeye") dated April 15, 2015 relating to the property known as the Weebigee Project (the "Option Agreement"). GPM's rights under the Option Agreement were acquired by Sandy Lake as previously announced on July 21, 2016.

The Notice demands arbitration concerning, among other things, the dispute regarding 1,421 claim units known as the "East Block" (the "Additional Interest") that were staked by GPM surrounding the property known as the Weebigee Project. Goldeye alleges that, pursuant to the Option Agreement, 525 of those claim units have become part of the Weebigee Project, and 896 of those claim units have become part of a 50/50 joint venture. Sandy Lake vehemently disagrees with these allegations and states that Goldeye did not make timely payment to GPM of its share of the costs of acquiring the Additional Interest as required, such that Goldeye has not acquired, and does not have any right to acquire, any rights or interest in the Additional Interest. In addition, the Notice sets forth certain ancillary claims made by Goldeye and seeks relief regarding other matters concerning the Weebigee Project including, without limitation (i) an order that the previously announced event of force majeure declared by Sandy Lake is invalid; and (ii) an order relating to the validity of certain expenses claimed by Sandy Lake in satisfaction of the obligation to incur certain exploration expenditures on the Weebigee Property in accordance with the terms of the Option Agreement.

Sandy Lake disputes Goldeye's allegations contained in the Notice, and intends to defend its position accordingly.

Sandy Lake will provide further updates as they occur.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy and / or accuracy of this release.

Forward Looking Statements - Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Sandy Lake, including, but not limited to the results and timing of any proposed arbitration, the effect of any future discussions with First Nations, the length of time for which the event of force majeure in respect of the Weebigee Project may continue, the nature of any resolution to the matters giving rise to the disputes described herein (if any such resolution is reached at all), the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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