

SANDY LAKE GOLD INC.
COMPENSATION POLICY
(Effective September 9, 2010)

I. DIRECTOR COMPENSATION

The form and amount of director compensation should be recommended by the Compensation Committee, but set after full discussion and concurrence by the Board. The Compensation Committee will conduct an annual review of director compensation.

Directors who are not officers of the Company are entitled to receive compensation to the extent that they provide services to the Company at rates that would be charged by such directors for services to arm's length parties. Directors are also entitled to participate in the stock option plan of the Company.

The Compensation Committee will consider that questions as to directors' independence may be raised when directors' fees exceed what is customary, if the Company makes substantial charitable contributions to organizations in which a director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a director.

It is appropriate for the Company to report from time to time and at least annually to the Compensation Committee on the status of the compensation of the Company's directors in relation to other comparable companies. In addition, the Compensation Committee has the authority to retain any compensation consultant to be used to assist in the evaluation of director compensation.

II. CEO AND EXECUTIVE COMPENSATION

The form and amount of the CEO compensation should be recommended by the Compensation Committee, but set after full discussion and concurrence by the Board. The Compensation Committee will conduct an annual review of the CEO's performance which is then analyzed against compensation.

The form and amount of compensation of the other senior executives should be recommended by the CEO, but set after full discussion and concurrence by the Board. The CEO will conduct an annual review of each executive's performance which is then analyzed against compensation.

Compensation should adequately reflect the expected and actual level and amount of effort of the position, as well as to accurately compensate for the responsibility and risk associated with the position as well as the knowledge and expertise required. Company success should also be taken into account.

Bonuses are to be limited to twice per year, and must take into account the financial condition of the Company before issuing. The bonus must only be in cash, and the amount must be tied

directly to the performance of the position and the Company in the past year. Half can be based on Company performance and financial condition. The amount must be equal among all executives. The second half of the bonus amount must specifically reflect the CEO's contribution to the Company. Exceptional effort and/or the quality of "deliverables" are to be rewarded accordingly.



Approved by the Board on September 9, 2010.

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