

SANDY LAKE GOLD INC.

GENERAL CORPORATE GOVERNANCE GUIDELINES

(Effective September 9, 2010)

I. GENERAL

The following General Corporate Governance Guidelines (the “**Guidelines**”) have been adopted by the Board of Directors (the “**Board**”) of Sandy Lake Gold Inc.(the “**Company**”) to assist the Board in the exercise of its responsibilities. These Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board and management level, with a view to enhancing shareholder value over the long term. These Guidelines are in addition to, and are not intended to change or interpret, the Articles of Incorporation or By-Laws of the Company. The Guidelines are subject to modification from time to time by the Board based upon recommendations of the Nominating and Corporate Governance Committee.

II. AUTHORITY OF THE BOARD

1. Stewardship of the Company

The Board establishes formal delegations of authority, defining the limits of management’s power and authority, and delegating to management certain powers to manage the business of the Company. The delegations of authority conform to statutory limitations specifying responsibilities of the Board that cannot be delegated to management. Any responsibilities not delegated to management remain with the Board and its respective committees.

2. Authority Delegated to Management

The Executive Officers of the Company have been delegated the authority by the Board to manage day-to-day operations of the company and its subsidiaries, including managing investments or transactions up to \$250,000 or as approved in the Operating Budgets, the employment of all but senior positions (CEO, CFO, VPs), engagement of professional, legal, accounting, and geological services, and to represent the company in all public matters, community relations and investor relations.

Final, major strategic decisions, such as investment in property or other exceeding \$500,000 in total value, strategic direction of the Company, and the employment of senior officers and the appointment of the auditors remain with the Board.

3. Board Access to Management and Employees

Directors shall have full and free access to the Company’s management and employees. Any meetings or contacts that a director wishes to initiate may either be arranged through the Chief Executive Officer or the Secretary.

4. Independent Advisors

The Board and its committees have the power to hire independent legal, financial or other advisors, as they may deem necessary, without consulting or obtaining approval of any officer of the Company in advance.

III. BOARD COMPOSITION

1. Board Membership Criteria

Nominees for directorship shall be selected on the basis of broad experience, judgment, integrity, ability to make independent inquiries, understanding the Company's business environment, and willingness and ability to devote adequate time to Board duties. Nominees must also meet the requirements of these Guidelines.

2. Selection of New Director Candidates

The Nominating and Corporate Governance Committee is responsible for seeking individuals qualified to become Board members for recommendation to the Board. The entire Board shall vote to elect members to the Board and to fill vacancies on the Board.

3. Extending the Invitation to a Director Candidate to Join the Board

The invitation to join the Board should be extended by the Chairperson of the Board and the Chair of the Nominating and Corporate Governance Committee on behalf of the entire Board of Directors. The new member will be given an orientation outlining his/her responsibilities pertaining to his/her position, including duties and conduct, within two months of joining the Board.

4. Selection of Chairperson of the Board

The Board is free to choose its Chairperson in any way that seems best for the Company at any given point in time, based on the recommendation of the Nominating and Corporate Governance Committee. Therefore, the Board does not have a policy on whether or not the role of the Chairperson and Chief Executive Officer should be separate or combined and, if it is to be separate, whether the Chairperson should be selected from the non-employee directors or be an employee.

5. Size of Board and Mix of Related and Independent Directors

In accordance with the Company's By-Laws, the Board or its committees resolves annually the number of directors constituting the Board. To greatest extent possible, "independent" directors should constitute a majority of the Board at all times. The Board periodically reviews the appropriate size of the Board.

IV. INDEPENDENCE DEFINITION

The Board has adopted categorical standards to assist it in making determinations of independence. These standards incorporate, and are consistent with, the definition of “independence” contained in the Ontario Securities Commission rules and regulations for corporate governance. The standards for an independent party are as follows:

- (a) an individual who is, or has been, an employee or executive officer of the issuer cannot be independent unless three years has elapsed since the end of the service or employment;
- (b) an individual whose immediate family member is, or has been, an executive officer of the issuer cannot be independent unless three years has elapsed since the end of the service or employment;
- (c) an individual who is, or has been, an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of the issuer cannot be independent unless three years has elapsed since the person’s relationship with the internal or external auditor, or the auditing relationship, has ended;
- (d) an individual whose immediate family member is, or has been, an affiliated entity of, a partner of, or employed in a professional capacity by, a current or former internal or external auditor of the issuer cannot be independent unless three years has elapsed since the person’s relationship with the internal or external auditor, or the auditing relationship, has ended;
- (e) an individual who is, or has been, or whose immediate family member is or has been, an executive officer of an entity if any of the issuer’s current executive officers serve or served on the entity’s compensation committee cannot be independent unless three years has elapsed since the end of the service or employment;
- (f) an individual who receives, or whose immediate family member receives, more than \$75,000 per year in direct compensation from the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee cannot be independent unless three years has elapsed since he or she ceased to receive more than \$75,000 per year in such compensation.

The Company will disclose the Board’s determinations regarding the independence of its members in the Annual Proxy Statement. Additional “independence” criteria contained in the Ontario Securities Commission rules and regulations applicable to audit committees shall apply to members of the Company’s Audit Committee.

V. TERMS OF DIRECTORSHIP

1. Directors Who Change Their Present Job Responsibility

When directors retire or change the position they held when they became a member of the Company's Board, the Nominating and Corporate Governance Committee should have an opportunity to review the continued appropriateness of Board membership under such circumstances.

2. Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. Instead, the Board shall review its composition annually to identify any need for the addition or change in the composition of the Board to strike a balance.

3. Director Retirement Age

No director may be nominated to a new term if he or she would be age 80 or older at the time of election.

4. Directorship and Committee Membership Quotas

No director may serve on more than five other public company boards. In addition, if a director is the Chief Executive Officer of another public company, he or she may not serve on more than three other public company boards. Directors should advise the Chairperson of the Board and the Chair of the Nominating and Corporate Governance Committee before accepting an invitation to serve on another public company board.

In addition, no member of the Company's Audit Committee may simultaneously serve on the audit committee of more than three other public companies.

5. Directorship Responsibilities

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders. In discharging that obligation, directors should be able to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable Director and Officer liability insurance on their behalf and shall be entitled to the benefits of indemnification to the fullest extent permitted by law and the Company's Articles of Incorporation, By-Laws and any indemnification agreements.

VI. COMMITTEES OF THE BOARD

1. Types of Committees

The Board will have at all times an Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, Technical Committee and Disclosure Committee. The Board may, from time to time, establish or maintain additional committees when necessary or appropriate. The Audit Committee shall be composed of at least a majority of independent directors and otherwise in accordance with applicable securities laws and stock exchange rules and policies.

2. Committee Membership

The Nominating and Corporate Governance Committee is responsible for making recommendations to the Board with respect to the assignment of Board members to various committees and Chairs for each committee. After reviewing the Nominating and Corporate Governance Committee's recommendations, the Board shall be responsible for appointing the Chairs and members to the committees.

The Nominating and Corporate Governance Committee shall annually review the committee assignments and shall consider the rotation of Chairs and members with a view toward balancing the benefits derived from continuity against the benefits derived from the diversity of experience and the viewpoints of the various directors.

Further conditions are set out in each respective committee charter.

VII. BOARD AND COMMITTEE MEETINGS

1. Attendance

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. No director shall attend less than 75% of Board and applicable committee meetings each year. Directors will not be re-nominated for committee membership if they attend less than 75% of committee meetings, nor directorship if they attend less than 75% of Board meetings.

2. Quorum

A quorum for the Board shall be four members in attendance. Due to the various sizes and functions, committees establish their own quorum which are outlined in their respective charters.

3. Management Access

The Board welcomes attendance of senior officers of the Company at Board and committee meetings, when appropriate. The Board may invite management, or others, into Board meetings who can provide additional insight concerning the items being discussed because of personal

involvement in these areas, and/or management, or the Board, believe they should be given exposure to the Board.

4. Agenda Items for Board Meetings

The Chair of the Board and of each Committee will establish the agenda for each meeting with the Board/Committee Secretary. Each director or member of senior management is free to suggest the inclusion of items on the agenda, as well as to raise at any meeting, issues or subjects that are not specifically on the agenda for that meeting.

Among agenda items to be covered, the Board will review the Company’s long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting at least once each year. Committees will also review their mandate and perform a long-term analysis of their respective areas of specialization and/or jurisdiction and report to the Board.

5. Board Material Distributed in Advance

Information and data that are important to the Board’s understanding of the business can be requested of management, and will be distributed in writing to the Board before the Board meets and to each committee before such committee meets. Management will make every attempt to see that this material is concise, informative and clear. Directors shall review this material prior to the meeting.

VIII. MEETINGS OF EXECUTIVE OFFICERS

Executive Officers of the Company will meet in formal, minuted executive sessions without independent directors at least once a month. These sessions provide an opportunity to, among other things, maintain information flow, assess the company’s current and long-term outlook, formulate and adjust corporate strategies, and raise and solve issues as needed.

IX. INTERACTION WITH INSTITUTIONAL INVESTORS, PRESS AND CUSTOMERS

Except in extraordinary circumstances, management will speak for the Company. It is suggested that each director shall refer all inquiries from institutional investors, the press or customers to management.



Approved by the Board on September 9, 2010.