

SANATANA RESOURCES INC.

Financial Statements

Amended

Third Quarter Ended December 31, 2016

Expressed in Canadian Dollars

Text

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**NOTICE OF NO AUDITOR REVIEW OF CONDENSED
INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of Sanatana Resources Inc. for the nine months ended December 31, 2016 have been prepared by the management of the Company and approved by the Company's audit committee.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of the condensed interim financial statements by an entity's auditor.

Sanatana Resources Inc.

Condensed Interim Statements of Financial Position

	Notes	December 31, 2016	March 31, 2016
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	3	716,866	1,160,283
Receivables	4	2,099	16,280
Prepaid expenses		2,717	10,883
Total current assets		721,682	1,187,446
Non-current assets			
Equipment	6	20,985	25,084
Total non-current assets		20,985	25,084
Total assets		742,667	1,212,530
LIABILITIES			
Current liabilities			
Payables and accruals	7	583,594	726,645
Total liabilities		583,594	726,645
EQUITY			
Share capital	9	42,707,020	42,707,020
Reserves	9	4,735,771	4,735,771
Deficit		(47,283,718)	(46,956,906)
Total equity		159,073	485,885
Total equity and liabilities		742,667	1,212,530

Signed on the Company's behalf by:

"Peter Miles", Director

Peter Miles

"Darcy Will", Director

Darcy Will

The accompanying notes are an integral part of these condensed interim financial statements.

Sanatana Resources Inc.

Condensed Interim Statements of Comprehensive Loss

	Notes	Three months ended December 31,		Nine months ended December 31,	
		2016	2015	2016	2015
		\$	\$	\$	\$
Expenses					
Depreciation	6	1,809	3,711	5,295	11,133
Director fees	11	-	7,500	-	75,310
Filing fees		251	969	7,158	11,185
Investor relations		120	2,236	965	3,828
Management fees and salaries	11	62,254	63,294	195,141	200,364
Office and administration		12,378	10,328	28,585	29,615
Professional fees		13,512	41,689	25,489	74,492
Rent		2,073	8,271	14,803	37,839
Share-based payments	10	-	(7,500)	-	(10,800)
Transfer agent fees		5,240	3,580	13,912	8,026
Travel and accomodation		15,834	1,923	25,643	11,761
Loss before other income/expenses		(113,471)	(136,001)	(316,991)	(452,753)
Other expense		-	-	(10,000)	-
Capital asset impairment	6	-	(65,000)	-	(65,000)
Exploration and evaluation assets impairment	5	-	(2,541,978)	-	(2,541,978)
Reclamation expense	8	-	(11,548)	-	(150,264)
Litigation costs recovery		-	-	-	355,920
Interest and other income		-	-	179	4
Loss before income taxes		(113,471)	(2,754,527)	(326,812)	(2,854,071)
Deferred income tax recovery		-	-	-	15,183
Loss and total comprehensive loss for the period		(113,471)	(2,754,527)	(326,812)	(2,838,888)
Loss per share - basic and diluted	12	(0.00)	(0.02)	(0.00)	(0.02)
Weighted average common shares outstanding - basic and diluted	12	120,773,834	127,761,073	120,773,834	127,761,073

The accompanying notes are an integral part of these condensed interim financial statements.

Sanatana Resources Inc.

Condensed Interim Statements of Changes in Equity

	Common Shares \$	Reserves \$	Deficit \$	Equity \$
Balance - March 31, 2015	42,776,892	4,733,571	(43,857,832)	3,652,631
Share-based compensation	-	2,200	-	2,200
Loss for the period	-	-	(2,838,888)	(2,838,888)
Balance - December 31, 2015	42,776,892	4,735,771	(46,696,720)	815,943

	Common Shares \$	Reserves \$	Deficit \$	Equity \$
Balance - March 31, 2016	42,707,020	4,735,771	(46,956,906)	485,885
Loss for the period	-	-	(326,812)	(326,812)
Balance - December 31, 2016	42,707,020	4,735,771	(47,283,718)	159,073

The accompanying notes are an integral part of these condensed interim financial statements.

Sanatana Resources Inc.

Condensed Interim Statements of Cash Flows

For the nine months ended December 31,	Notes	2016	2015
		\$	\$
Cash provided by (used in):			
Operating activities:			
Loss before income taxes		(326,812)	(2,854,071)
Adjustments for:			
Depreciation of property and equipment	6	5,295	11,133
Interest income		-	(4)
Accrual of payment in shares		10,000	-
Share-based compensation	10	-	10,800
Capital asset impairment	6	-	65,000
Exploration and evaluation assets impairment	5	-	2,541,978
Changes in non-cash working capital items:			
Receivables		14,181	8,197
Prepaid expenses		8,166	18,360
Payables and accruals		(153,051)	276,208
Provisions	8	-	(100,000)
		(442,221)	(22,399)
Investing activities:			
Prepaid exploration and evaluation advance		-	18,013
Exploration and evaluation assets		-	(170,337)
Equipment purchases	6	(1,196)	-
Interest received		-	4
		(1,196)	(152,320)
Financing activities			
Advance from related party		-	82,800
		-	82,800
Decrease in cash and cash equivalents		(443,417)	(91,919)
Cash, beginning of period		1,160,283	94,403
Cash, end of period		716,866	2,484

Supplementary cash flow information (note 13)

The accompanying notes are an integral part of these condensed interim financial statements.

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

1. Nature of Operations and Continuance of Operations

Sanatana Resources Inc. ("Sanatana" or the "Company") was incorporated as Sanatana Diamonds Inc. on June 25, 2004 under the British Columbia Business Corporations Act. The Company changed its name to Sanatana Resources Inc. on April 28, 2011. Sanatana is an exploration stage company, and its principal business activity is the acquisition, exploration and development of mineral properties, although it did not hold any mineral properties at December 31, 2016.

The Company is evaluating mineral properties interests but has not yet identified a suitable target. The Company has not generated revenue from operations and has no immediate plans that could generate cash from operations. The Company incurred a loss of \$326,812 during the nine months ended December 31, 2016 and, as of that date the Company's deficit was \$47,283,718. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash of \$716,866 at December 31, 2016 (March 31, 2016 - \$1,160,283).

The head office and principal address of the Company are located at Suite 1910 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. These financial statements were authorized for issue by the audit committee on February 27, 2017.

2. Basis of Presentation

The financial statements are presented in Canadian dollars, which is the functional currency of the Company.

Statement of Compliance

These condensed interim financial statements of the Company for the nine months ended December 31, 2016 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual financial statements as at and for the year ended March 31, 2016 as filed on SEDAR at www.sedar.com. The condensed interim financial statements do not include all of the information required for full annual financial statements.

Basis of Measurement

The financial statements have been prepared on a historical cost basis.

The financial information is presented in Canadian dollars, which is the functional currency of the Company.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

2. Basis of Presentation (continued)

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss/income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Rehabilitation Provisions

Rehabilitation provisions have been created based on the Company's internal estimates with future period amounts discounted to reflect the time value of money. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. The Company believes it has adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

2. Basis of Presentation (continued)

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 10.

3. Cash and Cash Equivalents

Cash at banks and on hand earns interest at floating rates based on daily bank deposit rates. Short-term investment deposits included in cash and cash equivalents bear interest at 0.35% to maturity.

4. Receivables

	December 31, 2016	March 31, 2016
	\$	\$
Other	-	16,280
GST - value added tax	2,099	-
	2,099	16,280

5. Exploration and Evaluation Assets

The exploration and evaluation assets of the Company are comprised as follows:

	March 31, 2015	Costs Incurred	Impairment	Sale	March 31 and December 31, 2016
	\$	\$	\$	\$	\$
Watershed Property	4,410,844	152,678	(2,541,978)	(2,021,544)	-
Green Lake Project	151,751	39,203	(190,954)	-	-
	4,562,595	191,881	(2,732,932)	(2,021,544)	-

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

5. Exploration and Evaluation Assets (continued)

Watershed Property

	March 31, 2015	Change in the year	Sale	March 31, and December 31, 2016
	\$	\$	\$	\$
Acquisition costs	2,098,389	-	(2,098,389)	-
Contractor and consultant Helicopter and fixed wing aircraft costs	5,390,151	53,454	(5,443,605)	-
Expediting	13,007	-	(13,007)	-
Project management fees	5,216	-	(5,216)	-
Field and camp	603,655	72,000	(675,655)	-
Sampling and assays	305,740	13,178	(318,918)	-
Transport and accomodation	1,238,807	266	(1,239,073)	-
Reclamation provision	667,505	11,407	(678,912)	-
Permitting and other	30,000	-	(30,000)	-
Impairment	124,374	2,373	(126,747)	-
	(6,066,000)	(2,541,978)	8,607,978	-
Watershed property	4,410,844	(2,389,300)	(2,021,544)	-

In February 2011, the Company entered into an option and joint venture agreement with Augen Gold Corp., which was subsequently acquired by Trelawney Mining and Exploration Inc. and renamed Trelawney Augen Acquisition Corp. ("TAAC"). In turn, Trelawney Mining and Exploration Inc. was purchased by IAMGOLD Corporation. By making cash payments, issuing common shares and undertaking exploration, the Company earned an interest in mineral concessions located in Ontario and owned by TAAC. The Company sold its interest in the Watershed Property in March 2016.

Green Lake Project

The Company acquired its rights to the Green Lake Diamond Exploration Property in two stages. The Company's last exploration rights lapsed in December 2016 and Company no longer has an economic interest in the property.

At March 31, 2016, the Company completed a review of the Green Lake property. Due to uncertainty regarding the outcome of land access negotiations, the Company fully impaired the project's carrying value.

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

5. Exploration and Evaluation Assets (continued)

	March 31, 2015	Change	March 31, and December 31, 2016
	\$	\$	\$
Acquisition costs	51,592	-	51,592
Sampling and assays	146	-	146
Contractor and consultant	9,956	790	10,746
Project management fees	57,750	34,500	92,250
Field and camp	11,211	297	11,508
Transport and accommodation	21,096	1,480	22,576
Permitting and other	-	2,136	2,136
Impairment	-	(190,954)	(190,954)
Green Lake Project	151,751	(151,751)	-

6. Equipment

	Office Furniture	Computer Equipment	Exploration Equipment	Trucks	Total
	\$	\$	\$	\$	\$
Cost					
At March 31, 2015	34,703	9,075	363,497	34,204	441,479
Disposals	-	-	(300,000)	-	(300,000)
At March 31, 2016	34,703	9,075	63,497	34,204	141,479
Additions	-	1,196	-	-	1,196
At December 31, 2016	34,703	10,271	63,497	34,204	142,675
Accumulated Depreciation					
At March 31, 2015	34,703	9,075	220,180	2,280	266,238
Charge for the period	-	-	6,003	6,840	12,843
Disposals	-	-	(162,686)	-	(162,686)
At March 31, 2016	34,703	9,075	63,497	9,120	116,395
Charge for the period	-	165	-	5,130	5,295
At December 31, 2016	34,703	9,240	63,497	14,250	121,690
Impairment					
At March 31, 2015	-	-	-	-	-
Charge for the period	-	-	65,000	-	65,000
Disposals	-	-	(65,000)	-	(65,000)
At March 31, and December 31, 2016	-	-	-	-	-
Net book value					
At March 31, 2015	-	-	143,317	31,924	175,241
At March 31, 2016	-	-	-	25,084	25,084
At December 31, 2016	-	1,031	-	19,954	20,985

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

6. Equipment (continued)

At December 31, 2015, the Company concluded that changes in the exploration sector had resulted in a permanent impairment of the carrying value of its drill. Accordingly, the Company recorded a \$65,000 impairment provision to adjust the carrying value of the drill to its expected fair value less costs of disposal.

In March 2016, the Company sold its drill as settlement of debt with one of its creditors for \$68,217.

7. Payables and Accruals

	December 31, 2016	March 31, 2016
	\$	\$
Trade payables	198,911	315,467
Accrued liabilities	86,087	110,587
GST/HST payable	-	441
Due to related parties	298,596	300,150
	<u>583,594</u>	<u>726,645</u>

8. Provisions

Provisions comprise the estimated cost to undertake reclamation work at the Company's exploration properties fees potentially payable under a success-fee arrangement.

	Mackenzie		Total
	Diamond Project	Watershed Property	
	\$	\$	\$
At March 31, 2015	100,000	30,000	130,000
Reclamation costs incurred	(250,264)	-	(250,264)
Expensed	150,264	-	150,264
Obligation assumed by purchaser on sale of property	-	(30,000)	(30,000)
At March 31, and December 31, 2016	-	-	-

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

9. Share Capital and Reserves

Authorized share capital

Authorized share capital comprises an unlimited number of common shares with no par value.

Common Shares

Fiscal 2016

As part of the agreement of sale of the Watershed Property to TAAC, TAAC and its affiliates returned 6,987,239 common shares of the Company valued at \$69,872.

The following is a summary of changes in common share capital from March 31, 2015 to December 31, 2016:

	Number of Shares	Share Price \$	Common Shares \$
Balance - March 31, 2015	127,761,073		42,776,892
Shares returned to treasury	(6,987,239)	0.01	(69,872)
Balance - March 31, and December 31, 2016	120,773,834		42,707,020

Reserves

Reserves comprise the fair value of stock option grants and agent warrants prior to exercise. The following is a summary of changes in reserves from March 31, 2015 to December 31, 2016:

	\$
Balance March 31, 2015	4,733,571
Share-based compensation	2,200
Balance March 31, and December 31, 2016	4,735,771

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

9. Share Capital and Reserves (continued)

Warrants

The Company's movement in share purchase warrants is as follows:

	December 31, 2016		March 31, 2016	
	Number Of Warrants	Weighted Average Exercise Price	Number Of Warrants	Weighted Average Exercise Price
Balance, beginning of period	1,250,000	\$0.15	13,455,000	\$0.12
Expired	(1,250,000)	0.15	(12,205,000)	0.12
Balance, end of period	-	-	1,250,000	0.15

Nature and Purpose of Reserves and Deficit

The reserves recorded in equity on the Company's statement of financial position comprise contributed surplus and deficit. Reserves are used to recognize the fair value of share option grants and agent warrants prior to exercise. Deficit records the Company's cumulative earnings or loss.

10. Share-Based Payments

The Company has a rolling stock option plan that allows the Company's board of directors to issue options to purchase up to 10% of the common shares outstanding at the grant date. Directors, officers, consultants and employees of the Company are eligible to receive stock options, subject to the policies of the TSX Venture Exchange. The directors may set option terms, but options granted under the plan typically have a life of five years and vest over an 18-month period. Share-based payments expense is amortized over the vesting period. The Company's shareholders reconfirmed the option plan in December 2016.

In fiscal 2015, the Company committed to grant options to purchase up to 500,000 common shares and accrued a value for those options of \$13,000. The Company subsequently adjusted the value of that accrual to reflect changes in the trading price of the shares. The comparative period comprehensive loss includes a \$2,000 recovery of stock-based compensation in this regard.

	December 31, 2016		March 31, 2016	
	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price
Balance, beginning of period	4,950,000	\$0.27	11,825,000	\$0.25
Forfeited or expired	(400,000)	0.50	(6,875,000)	0.24
Balance, end of period	4,550,000	\$0.25	4,950,000	\$0.27

Sanatana Resources Inc.
Notes to the Condensed Interim Financial Statements
For the nine months ended December 31, 2016

10. Share-Based Payments (continued)

Summary of outstanding options at December 31, 2016:

Exercise Price Range	Outstanding Options			Exercisable Options	
	Number	Weighted Average Exercise Price	Weighted Average Remaining Life	Number	Weighted Average Exercise Price
\$0.10	1,900,000	\$0.10	2.12 years	1,900,000	\$0.10
\$0.35	2,550,000	0.35	0.48 years	2,550,000	0.35
\$0.40	100,000	0.40	0.73 years	100,000	0.40
	4,550,000	\$0.25	1.17 years	4,550,000	\$0.25

The Company incurred an expense of \$nil (2015 – recovery of \$10,800) for share-based payments for the period ended December 31, 2016.

In the current fiscal period, there was no share-based compensation expense. In the comparative period, the fair value of the share-based payments was estimated using the Black-Scholes option pricing model with the following assumptions:

For the nine months ended December 31,	2015
Dividend yield	0%
Risk-free interest rate	1.1%
Estimated volatility	99%
Expected life in years	5

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

11. Related Party Transactions and Balances

The Company incurred key management and board of directors' compensation as follows:

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Key management personnel compensation				
Salary	30,000	45,000	90,000	135,000
Director fees	-	7,500	-	75,310
Short-term benefits	1,107	1,098	3,321	3,294
Management fees - expensed	870	4,630	8,500	12,740
Share-based payments	-	(7,500)	-	(12,000)
Total	31,977	50,728	101,821	214,344

Included in the above is compensation paid through companies:

S2 Management Inc.	870	4,630	8,500	12,740
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S2 Management Inc. is controlled by the Company's CFO.

Balances due to related parties that are included in accounts payable and accrued liabilities comprise:

	December 31, 2016	March 31, 2016
	\$	\$
Directors and officers	298,596	298,596
S2 Management Inc.	-	1,554
	298,596	300,150

Related party balances are due on demand, bear no interest and are current liabilities.

12. Loss per Share

The calculation of the basic and diluted loss per share for the years presented is based on the following data:

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Loss for the period	(113,471)	(2,754,527)	(326,812)	(2,838,888)
Weighted average number of common shares outstanding	120,773,834	127,761,073	120,773,834	127,761,073
	(0.00)	(0.02)	(0.00)	(0.02)

Diluted loss per share for the three and nine months ended December 31, 2016 and 2015 is the same as basic loss per share as the impact of the exercise of the share options and warrants is anti-dilutive.

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

13. Supplemental Cash Flow Information

Non-cash financing and investing activities included the following:

For the nine months ended December 31,	2016	2015
	\$	\$
Non-cash investing activities:		
Accounts payable included in exploration and evaluation assets	-	14,526
Non-cash financing activities:		
Liability to renounce exploration expenditures	-	15,183

14. Commitments

In the event of a change of control of the Company, the Company may be required to pay up to \$513,000 to directors, officers, employees and a contractor.

15. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties.

16. Events after the Reporting Period

Jackfish Property

In February 2017, the Company entered into option agreements to acquire a 100% interest in the Jackfish gold exploration property in Ontario from three vendor groups. The option agreements are subject to TSX Venture Exchange approval.

In order to acquire a 100% interest in the Jackfish property, Sanatana must pay cash of \$375,000 over a 24-month period; issue 10,500,000 of the Company's common shares over a 24-month period; reimburse exploration expenditures of \$20,000 on closing and incur exploration expenditures of \$600,000 over a 24-month period. The Company also has obligations to pay cash of \$1,000,000 following receipt of a positive feasibility study and to pay royalties on various terms, some of which can be reduced in exchange for cash payments.

Private Placement

In February 2017, Sanatana announced a non-brokered private placement of 17,500,000 flow-through units ("FT Units") at \$0.05 per FT Unit and 2,500,000 non-flow-through units ("Units") at \$0.05 per Unit for aggregate gross proceeds of up to \$1,000,000 (the "Offering").

Each FT Unit will consist of one common share of the Company that is a "flow-through share" within the meaning of the Income Tax Act (Canada) and one whole warrant (a "Warrant"). Each Unit will consist of one non-flow-through common share of the Company and one Warrant. Each Warrant will entitle the holder to purchase one additional non-flow-through common share of the Company at a price of \$0.10 per common share for a period of 24 months from the closing of the Offering. The Company may pay finder's fees to certain arm's length parties in accordance with the rules of the TSX-V in consideration for their efforts in introducing subscribers to the Company.

Sanatana Resources Inc.

Notes to the Condensed Interim Financial Statements

For the nine months ended December 31, 2016

16. Events after the Reporting Period (continued)

Closing is subject to prescribed conditions, including, without limitation, approval of the TSX-V. Securities issued under the Offering will be subject to a hold period expiring four months and one day from closing of the Offering.

The proceeds from the Offering will be used for exploration on the Company's Jackfish Property and for general working capital purposes.