

# **SANATANA RESOURCES INC.**

## **Condensed Interim Financial Statements**

**First Quarter Ended June 30, 2018**

Expressed in Canadian Dollars

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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 three months ended June 30, 2018 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	June 30, 2018	March 31, 2018
		\$	\$
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	3	251,713	65,533
Receivables	4	16,171	3,753
Prepaid expenses		14,751	11,576
<b>Total current assets</b>		<b>282,635</b>	<b>80,862</b>
Non-current assets			
Prepaid exploration and evaluation advance		33,717	2,042
Exploration and evaluation assets	5	327,609	315,034
Equipment	6	25,617	28,242
<b>Total non-current assets</b>		<b>386,943</b>	<b>345,318</b>
<b>Total assets</b>		<b>669,578</b>	<b>426,180</b>
<b>LIABILITIES</b>			
Current liabilities			
Payables and accruals	7	210,983	213,639
Liability to renounce exploration expenditures		73,216	-
<b>Total liabilities</b>		<b>284,199</b>	<b>213,639</b>
<b>EQUITY</b>			
Share capital	8	43,967,278	43,548,571
Reserves	8	5,135,399	5,109,099
Deficit		(48,717,298)	(48,445,129)
<b>Total equity</b>		<b>385,379</b>	<b>212,541</b>
<b>Total equity and liabilities</b>		<b>669,578</b>	<b>426,180</b>

Going concern (Note 1)

Commitments (Note 13)

Subsequent events (Note 15)

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 Loss and Comprehensive Loss

For the three months ended June 30,	Notes	2018	2017
		\$	\$
<b>Expenses</b>			
Depreciation	6	2,625	1,809
Exploration expenses		152,317	27,374
Filing fees		4,684	3,563
Investor relations		2,914	3,316
Management fees and salaries	10	51,630	53,332
Office and administration		9,299	11,803
Professional fees		1,983	4,293
Rent		15,688	11,492
Share-based compensation	9	26,300	-
Transfer agent fees		2,035	830
Travel and accommodation		4,478	312
<b>Loss before other income/expenses</b>		(273,953)	(118,124)
Interest and other income		-	597
<b>Loss before income taxes</b>		(273,953)	(117,527)
Deferred income tax recovery		1,784	-
<b>Loss and total comprehensive loss for the period</b>		(272,169)	(117,527)
<b>Loss per share - basic and diluted</b>	11	(0.00)	(0.00)
<b>Weighted average common shares outstanding - basic and diluted</b>	11	142,940,364	135,941,372

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

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# Sanatana Resources Inc.

## Condensed Interim Statements of Changes in Equity

	Common Shares \$	Reserves \$	Deficit \$	Equity \$
<b>Balance - March 31, 2017</b>	43,428,571	4,930,299	(47,459,281)	899,589
Shares issued for Jackfish Property	120,000	-	-	120,000
Loss for the period	-	-	(117,527)	(117,527)
<b>Balance - June 30, 2017</b>	43,548,571	4,930,299	(47,576,808)	902,062

  

	Common Shares \$	Reserves \$	Deficit \$	Equity \$
<b>Balance - March 31, 2018</b>	43,548,571	5,109,099	(48,445,129)	212,541
Shares issued for Santoy Property	12,500	-	-	12,500
Private placements	500,000	-	-	500,000
Share issue costs	(93,793)	-	-	(93,793)
Share-based compensation	-	26,300	-	26,300
Loss for the period	-	-	(272,169)	(272,169)
<b>Balance - June 30, 2018</b>	43,967,278	5,135,399	(48,717,298)	385,379

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

# Sanatana Resources Inc.

## Condensed Interim Statements of Cash Flows

For the three months ended June 30,	Notes	2018	2017
		\$	\$
<b>Cash provided by (used in):</b>			
<b>Operating activities:</b>			
Loss before income taxes		(272,169)	(117,527)
Adjustments for:			
Depreciation of property and equipment	6	2,625	1,809
Interest income		-	(179)
Share-based compensation	9	26,300	-
Deferred income tax		(1,784)	-
Changes in non-cash working capital items:			
Receivables		(12,418)	1,691
Prepaid expenses		(3,175)	1,608
Payables and accruals		(2,656)	(116,194)
		(263,277)	(228,792)
<b>Investing activities:</b>			
Prepaid exploration and evaluation advance		(31,675)	-
Exploration and evaluation assets	5	(75)	(155,346)
Interest received		-	179
		(31,750)	(155,167)
<b>Financing activities</b>			
Issuance of common shares, net of costs		481,207	-
		481,207	-
<b>Change in cash and cash equivalents</b>		186,180	(383,959)
<b>Cash and cash equivalents, beginning of period</b>		65,533	1,169,614
<b>Cash and cash equivalents, end of period</b>		251,713	785,655
<b>Cash and equivalents comprise:</b>			
Cash		251,713	385,655
Equivalents		-	400,000
		251,713	785,655

Supplementary cash flow information (note 12)

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

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 1. Nature of Operations and Continuance of Operations

Sanatana Resources Inc. (“Sanatana” or the “Company”) was incorporated on June 25, 2004 under the British Columbia Business Corporations Act. Sanatana is an exploration stage company, and its principal business activity is the acquisition, exploration and development of mineral properties. The Company’s shares are traded on the TSX Venture Exchange (“TSX-V”) under the symbol STA.

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 \$272,169 during the three months ended June 30, 2018 and, as of that date the Company’s deficit was \$48,717,298. 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 and cash equivalents of \$251,173 at June 30, 2018 (March 31, 2018 - \$65,533).

The head office and principal address of the Company are located at Suite 908 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. These financial statements were authorized for issue by the audit committee on August 28, 2018.

### 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 three months ended June 30, 2018 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, 2018 as filed on SEDAR at [www.sedar.com](http://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 Judgements

Sanatana 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.

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 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:

#### 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.

#### 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 9.

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 2. Basis of Presentation (continued)

#### Adoption of New Accounting Pronouncements and Recent Developments

IASB or the IFRS Interpretations Committee have issued certain pronouncements that are mandatory for accounting years beginning on or after April 1, 2018. None of these are expected to be relevant to the Company's financial statements, except for the following:

##### IFRS 9 Financial Instruments

IFRS 9 amends the requirements for classification and measurement of financial assets, impairment, and hedge accounting. IFRS 9 introduces an expected loss model of impairment and retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through profit or loss, and fair value through other comprehensive income. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. IFRS 9 will be effective for the fiscal year beginning April 1, 2018. The impact of adopting IFRS 9 is considered to be not material.

##### IFRS 15 – Revenue Recognition

The IASB issued IFRS 15, which will be effective for the Company beginning on April 1, 2018. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time and over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company is in the process of assessing the impact of this standard on its financial statements.

##### IFRS 16 - Leases

IFRS 16 - Leases specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring that lessees recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and will be applicable to the Company's fiscal year beginning April 1, 2019, although early adoption is permitted.

### 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

	June 30, 2018	March 31, 2018
	\$	\$
GST - value added tax	16,171	3,753
	16,171	3,753

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 5. Exploration and Evaluation Assets

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

#### Jackfish Property

In June 2017, the TSX-V approved the Company's option to acquire a 100% interest in the Jackfish gold property in Ontario from three parties, Alto Ventures Ltd. ("Alto"), Rudy Wahl ("Wahl") and a group of prospectors referred to for convenience as "Richards et al". The option provides that the Company pay \$375,000 over a two-year period (\$125,000 paid on closing), issue 10,850,000 common shares over a two year period (3,000,000 issued on closing and 3,500,000 issued in August 2018) and reimburse exploration expenditures of \$20,000 on closing (paid). In July 2018, the Company entered into an agreement to defer certain cash payments but the total amount to be paid remains unchanged. In addition, the Company must spend \$600,000 on exploration over 24 months (\$175,000 in the first 12 months and \$50,000 spent in the first 18 months) and pay cash of \$1,000,000 to Richards et al following receipt of a positive feasibility study

In July 2018, the Company entered into agreements with two vendors of the Jackfish Property (Alto and Wahl) to defer payment of \$100,000 from June 2018 to December 2018 in exchange for agreeing to issue 350,000 common shares as consideration. An expenditure commitment to Alto was also deferred from June 2018 to December 2018. The third option agreement with Richards et al fell into default in June 2018 since scheduled cash and share payments were not made. The default must be remedied by August 31, 2018 or the Company's rights to the Richards et al lands may be terminated at any time.

The Jackfish gold property is subject to royalties as follows:

- (a) Net smelter return ("NSR") royalties on metals of 2% to Wahl and Richards et al, and a gross overriding royalty on diamonds of 2% to Wahl, all of which have an option to reduce these royalties to 1% for cash payments of \$1,000,000 to each party.
- (b) NSR royalty on metals of 1% to Alto, for which a 2% NSR royalty already exists in a previous assignment agreement and which royalty has an option to be reduced to 1% for cash payment of \$1,000,000.
- (c) Additional NSR royalty to Alto of 0.33%, to Wahl of 0.33% and to Richards et al of 0.34% on any new property acquired within the area of interest contemplated in the option agreements.

The Company's accounting policy is to only capitalize exploration expenditures once it has secured legal ownership or option rights. The Jackfish option transaction was formally approved on June 21, 2017 but the Company incurred expenditures of \$55,403 on exploration and planning activities prior to that date. These costs were charged to operations, \$27,374 in the current fiscal year and \$28,029 in fiscal 2017.

Subsequent to June 30, 2018 the Company entered into agreements with Alto and Wahl to defer cash payments by six months in exchange for agreeing to issue an additional 350,000 common shares. The Company did not reach agreement with Richards et al and has impaired the carrying value of the Jackfish Property by \$336,000, which represents the purchase price and capitalized exploration costs associated with the Richards et al property.

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 5. Exploration and Evaluation Assets (continued)

#### Santoy Property

Sanatana has entered into an asset purchase agreement with Brian Fowler and Christian Carl ("Fowler and Carl") to acquire the Santoy Property adjacent to the Company's Jackfish Property. The Company paid Fowler and Carl \$12,500 cash and issued 250,000 common shares to Fowler and Carl. The Company must pay a net smelter return royalty on metals of 2% upon the commencement of commercial production to Fowler and Carl, with an option to reduce the royalty to 1% for cash payments of \$1,000,000.

Capitalized expenditures during the period ended June 30, 2018 were:

	March 31, 2018	Change	June 30, 2018
	\$	\$	\$
Acquisition costs	265,000	12,500	277,500
Sampling and assays	13,223	-	13,223
Contractor and consultant	161,404	-	161,404
Project management fees	94,000	-	94,000
Field and camp	16,572	75	16,647
Transport and accomodation	86,638	-	86,638
Permitting and other	14,197	-	14,197
Impairment	(336,000)	-	(336,000)
Jackfish Property	315,034	12,575	327,609

**Sanatana Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
For the three months ended June 30, 2018

**6. Equipment**

	Office Furniture	Computer Equipment	Exploration Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
At March 31, 2017	34,703	10,271	63,497	34,204	142,675
Additions	-	-	-	16,302	16,302
At March 31, 2018 and June 30, 2018	34,703	10,271	63,497	50,506	158,977
<b>Accumulated Depreciation</b>					
At March 31, 2017	34,703	9,339	63,497	15,960	123,499
Charge for the period	-	396	-	6,840	7,236
At March 31, 2018	34,703	9,735	63,497	22,800	130,735
Charge for the period	-	99	-	2,526	2,625
At June 30, 2018	34,703	9,834	63,497	25,326	133,360
<b>Net book value</b>					
At March 31, 2017	-	932	-	18,244	19,176
At March 31, 2018	-	536	-	27,706	28,242
At June 30, 2018	-	437	-	25,180	25,617

**7. Payables and Accruals**

	June 30, 2018	March 31, 2018
	\$	\$
Trade payables	203,567	190,548
Accrued liabilities	2,252	18,752
Exploration expenditures	2,313	1,982
Due to related parties	2,851	2,357
	210,983	213,639

# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

### 8. Share Capital and Reserves

#### Authorized share capital

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

#### Common Shares

##### Fiscal 2019

In April 2018 the Company received TSX-V approval for the Santoy transaction (see note 5) and issued 250,000 common shares at \$0.05 per share for an aggregate value of \$12,500.

In May 2018, the Company completed the first tranche of a non-brokered private placement issuing 6,000,000 flow-through shares at \$0.05 per share for gross proceeds of \$300,000. The shares are subject to a hold period expiring in September 2018. In June 2018, the Company completed the second and final tranche of the non-brokered private placement, issuing 4,000,000 flow-through shares at \$0.05 per share for gross proceeds of \$200,000. The shares issued in the second tranche are subject to a hold period expiring in October 2018. Proceeds from the private placement will be used to explore the Jackfish Property.

##### Fiscal 2018

In June 2017, 3,000,000 common shares were issued in accordance with the Jackfish Property agreement (see note 5) at an issue-date fair value of \$0.04 per share for an aggregate value of \$120,000.

The following is a summary of changes in common share capital from March 31, 2017 to June 30, 2018:

	Note	Number of Shares	Share Price \$	Common Shares \$
<b>Balance - March 31, 2017</b>		135,479,834		43,428,571
Share issuance for Jackfish Property option		3,000,000	0.04	120,000
<b>Balance - March 31, 2018</b>		138,479,834		43,548,571
Share issuance for the Santoy Property option		250,000	0.05	12,500
Flow-through private placement		10,000,000	0.05	500,000
Share issuance costs		-	-	(93,793)
<b>Balance - June 30, 2018</b>		148,729,834		43,967,278

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 8. Share Capital and Reserves

#### Reserves

Reserves comprise the fair value of stock option grants, agent warrants prior to exercise and settlement of amounts with existing shareholders. The following is a summary of changes in reserves from March 31, 2017 to June 30, 2018:

	\$
<b>Balance March 31, 2017</b>	4,930,299
Share-based compensation	178,800
<b>Balance March 31, 2018</b>	5,109,099
Share-based compensation	26,300
<b>Balance June 30, 2018</b>	5,135,399

#### Warrants

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

	June 30, 2018 and March 31, 2018	
	Number Of Warrants	Weighted Average Exercise Price
Balance, beginning of period	14,590,000	\$0.10
Granted	-	-
Expired	-	-
<b>Balance, end of period</b>	<b>14,590,000</b>	<b>0.10</b>

Summary of outstanding warrants is as follows:

Expiry Date	Exercise Price	Financing Warrants
March 21, 2019	\$ 0.10	10,870,000
March 29, 2019	\$ 0.10	3,720,000
		14,590,000

### 9. 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-V. 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 2017.

# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

### 9. Share-Based Payments (continued)

In September 2017, the Company granted stock options to directors, officers, employees and contractors of the Company to purchase up to 6,800,000 common shares of the Company at a price of \$0.06 per share. The stock options are exercisable on or before September 28, 2022 and vest in stages with 25% vesting immediately and the remainder to vest 25% every six months from the dated of the grant. Of the options granted 5,000,000 were awarded to directors and officers of the Company. The grant-date fair value of the options awarded was \$0.04

	June 30, 2018		March 31, 2018	
	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price
Balance, beginning of period	8,700,000	\$0.07	4,550,000	\$0.25
Granted	-	-	6,800,000	0.06
Forfeited or expired	-	-	(2,650,000)	0.35
Balance, end of period	8,700,000	\$0.07	8,700,000	\$0.07

Summary of outstanding options at June 30, 2018:

Exercise Price Range	Outstanding Options			Exercisable Options	
	Number	Weighted Average Exercise Price	Weighted Average Remaining Life	Number	Weighted Average Exercise Price
\$0.06	6,800,000	\$0.06	4.24 years	3,400,000	\$0.06
\$0.10	1,900,000	\$0.10	0.63 years	1,900,000	\$0.10
	8,700,000	\$0.07	3.45 years	5,300,000	\$0.07

The Company incurred an expense of \$26,300 (June 30, 2017 - \$nil) for share-based payments for the period ended June 30, 2018.

The fair value of the share-based payments was estimated using the Black-Scholes option pricing model with the following assumptions:

For the three months ended June 30,	2018
Dividend yield	0%
Risk-free interest rate	1.8%
Estimated volatility	127%
Expected life in years	5

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 10. Related Party Transactions and Balances

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

For the three months ended June 30,	2018	2017
	\$	\$
Salary	30,000	30,000
Short-term benefits	995	1,107
Management fees - expensed	2,250	3,120
Share-based payments	19,300	-
<b>Total</b>	<b>52,545</b>	<b>34,227</b>

Included in the above is compensation paid through companies:

S2 Management Inc.	2,250	3,120
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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:

	June 30, 2018	March 31, 2018
	\$	\$
Directors and officers	2,000	2,000
S2 Management Inc.	851	357
	<b>2,851</b>	<b>2,357</b>

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

### 11. Loss per Share

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

For the three months ending June 30,	2018	2017
Loss for the period	(\$272,169)	(\$117,527)
Weighted average number of common shares outstanding	142,940,364	135,941,372
<b>Loss per share</b>	<b>(\$0.00)</b>	<b>(\$0.00)</b>

Diluted loss per share for the period ended June 30, 2018 and 2017 is the same as basic loss per share as the impact of the exercise of the share options and warrants is anti-dilutive.

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Financial Statements

For the three months ended June 30, 2018

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### 12. Supplemental Cash Flow Information

Non-cash investing activities included the following:

For the three months ended June 30,	2018	2017
	\$	\$
Non-cash investing activities:		
Shares issued for exploration and evaluation assets	12,500	120,000
Payables recorded for exploration and evaluation assets	2,313	-

### 13. Commitments

- a) In the event of a change of control of the Company, the Company may be required to pay up to \$574,500 to directors, officers, employees and a contractor.
- b) In the current period, the Company satisfied its exploration obligation under a flow-through financing completed in 2017. In May and June 2018, the Company undertook a new flow-through financing (note 8) and at June 30, 2018 was obliged, under the terms of the financing and related tax law, to expend \$488,000 on mineral exploration before December 31, 2019.
- c) The Company is contractually committed to make payments regarding premises lease as follows:

Year ending March 31, 2019	\$ 28,650
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### 14. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. All assets are located in Canada.

### 15. Events after the Reporting Period

In August 2018 the Company issued 3,500,000 common shares as consideration for the Jackfish property.