SANATANA DIAMONDS INC.

Management's Discussion and Analysis

For the Nine Months Ended December 31, 2008

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This management's discussion and analysis ("MD&A") contains certain forward-looking statements that are prospective and reflect management's expectations regarding Sanatana Diamonds Inc.'s ("Sanatana" or the "Company") future growth, results of operations, performance and business prospects and opportunities. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization and reserves, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, exploration results and future plans and objectives of Sanatana are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Sanatana's expectations are disclosed in its documents filed from time to time with the TSX Venture Exchange (the "Exchange") and other regulatory authorities and include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore to be mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Sanatana undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Introduction

This MD&A has been prepared as of February 26, 2008 and should be read in conjunction with the Company's audited annual financial statements and related notes for the year ended March 31, 2008 and the unaudited interim financial statements and related notes for the period ended December 31, 2008. This MD&A is intended to provide the reader with a review of the Company's performance for the nine months ended December 31, 2008 and through to the date of this report and the factors reasonably expected to impact future operations and results.

The financial statements and related notes of Sanatana have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). All financial amounts in this MD&A are in Canadian dollars, except as otherwise indicated.

Outlook

The Company discovered its first kimberlite, the "Dharma Kimberlite" in October 2007. A follow-up drill campaign discovered the nearby "Dharma Uttar" Kimberlite in April 2008. These kimberlites proved to be mineralized with diamonds. In total, the Company tested 1,009 kilograms of material from Dharma Kimberlite and 448.5 kilograms of kimberlite from Dharma Uttar. The diamond results from both kimberlites were similar, exhibiting a coarse distribution and a good proportion of larger to smaller stones. The largest stone reported weighed 0.55 ct. In total, the Company completed 13 drill holes in the combined Dharma kimberlite complex.

The Dharma kimberlite complex is considered to be an important discovery as it has the first significantly mineralized kimberlite complex to be located on the proposed Mackenzie craton. The diamonds and indicator mineral chemistry are proof of a deep lithospheric keel that is about 180 kilometres thick. These types of deep keels are to date unique to Archaean terranes and are not found under younger terranes; they are considered intrinsic to diamond mineralization.

The work at the Dharma kimberlite complex suggests that, while important, the complex has insufficient tonnage to warrant further evaluation on a stand-alone basis at this time. Consequently, the Company has shifted focus in the Greenhorn area to finding additional kimberlites. Kimberlites usually occur in swarms: once one kimberlite is found, the probability of finding others within a 30-kilometre radius is high. The Company tested 22 separate geophysical targets (other than Dharma Uttar) in the Greenhorn project area: none were kimberlite. There is still strong evidence that there are other kimberlites on the Greenhorn project as suggested by the several other indicator anomalies that are separate from those emanating from the Dharma complex. It is apparent that combining till sampling, leading to identifiable indicator mineral trains, with geophysics is more successful than utilizing geophysics alone.

Accordingly, the Company has taken 170 till samples on the Greenhorn project this past summer to further enhance these other anomalies. The Company received observation results from this till sampling program revealing a significant indicator mineral anomaly (with 178 indicator minerals) five kilometres northeast of the Dharma Kimberlite. Weathered, fragile fragments of kimberlite have been noted attached to indicator minerals from this sample site. This strongly indicates evidence of a local source in close proximity to the anomalous sample site. There is no signature in the airborne geophysical data nearby that can be linked to this anomaly. Detailed closed spaced ground geophysics and closed spaced sampling are planned for 2009. The Company is awaiting probe results, which will help evaluate the diamond potential of this anomaly.

In 2008, the Company purchased a small heli-portable RC (reverse circulation) drill rig in an effort to make target testing for kimberlite less expensive and 13 of the 22 targets tested in the Greenhorn project were completed with this rig. Costs were reduced by 80% compared to using a diamond drill rig. In the future, this rig will both increase productivity and reduce costs in discovering kimberlites.

Sanatana’s exploration programs are carried out under the supervision of the Company’s Vice President of exploration, Mr. Buddy Doyle, and Exploration Manager, Mr. Troy Gill. Mr. Doyle and Mr. Gill meet the qualified person requirements (as defined by National Instrument 43-101) and together they have 52 years of experience in the exploration industry with over 21 years specifically in diamond exploration. They are responsible for the geoscientific and technical disclosure contained in this document.

Incorporation and Listing Information

Sanatana was incorporated under the British Columbia *Business Companies Act* on June 25, 2004. On July 28, 2005, the Company’s common shares were admitted to the Alternative Investment Market of the London Stock Exchange plc. (“AIM”).

On November 30, 2005, a receipt was issued for the Company’s non-offering prospectus, making the Company a reporting issuer in every province and territory of Canada, except Quebec. On May 17, 2006, the Company’s common shares commenced trading on the Venture Exchange under the symbol “STA” as a mining exploration/ development company.

Effective October 10, 2008, the Company cancelled its AIM listing. The Company maintains its listing on the Venture Exchange.

Nature of Business

Since its inception in June 2004, Sanatana’s exploration activities have been carried out solely in the Northwest Territories and Nunavut, Canada, where the Company prospected and explored for diamonds at the Mackenzie Platform. The Company’s exploration project is located north of Great Bear Lake and approximately 700 kilometres northwest of Yellowknife. As of the date of this MD&A, Sanatana holds approximately 1.9 million acres of ground under mineral claims.

The primary strategy of the Company is to capture the majority share of a potential new diamond region in Canada. The initial large land holding was secured on the basis that the Company’s neighbouring explorer, Diamondex Inc., reported the recovery of diamonds from the Iroquois and Anderson River systems, indicating the entire Mackenzie Platform might be prospective for diamonds. The discovery of the diamondiferous Dharma Kimberlite pipe and evidence of numerous positive diamond indicator mineral anomalies obtained by Sanatana to date support that this strategy is sound. Continuous work in the Mackenzie Platform area has allowed the Company to concentrate on its mineral rights areas that demonstrate the highest discovery potential.

Technical Note: A Brief Explanation of Diamond Exploration:

Scientific studies have shown that diamonds are formed at high pressures and temperatures deep in the Earth's mantle, and can be preserved under older, colder parts of continents. The diamonds sit at this depth for eons after they are formed until they are picked up and brought to the surface by deep-seated magmas that erupt to make small volcanoes and craters. The most common of these diamond-bearing magmas are called kimberlite. This volcanic rock type makes up most of the world's diamond mines. Kimberlites form dykes, pipes and craters, can vary in size from one metre to 2.5 kilometres across and usually occur in swarms. This means that where one kimberlite is found, one will usually find many others. Kimberlites have occurred throughout earth's history but tend to form in pulses.

Once the eruption is finished and everything is cool and quiet, erosional processes take over and the minerals in the kimberlite, including diamonds, are dispersed. Most exploration companies look for minerals, called indicator minerals, occurring with the diamonds rather than the diamonds directly as indicator minerals are of an order of magnitude more abundant and therefore less expensive to find. These minerals (pyrope garnet, picro-ilmenite, chrome diopside, chromite) were made at the same high temperatures and pressures as diamonds. Their chemistry is unique; no other minerals found on the surface of the earth share this chemistry. When these unique indicator minerals are found, it is considered direct evidence of diamond mineralization.

In the Canadian Arctic, where Sanatana is exploring, there was, until approximately 10,000 years ago, a great ice sheet originating near Hudson's Bay. The ice movement caused by this sheet eroded the kimberlites and spread the indicator minerals and diamonds "down-ice" in a direction away from the centre of the ice.

Sanatana has been exploring the Mackenzie Platform area for diamonds by sampling the glacial till for indicator minerals. The Company has found a number of areas from which these minerals seem to be originating.

Once a source area of indicator minerals is isolated, the Company conducts geophysical testing from the air and on the ground looking for the pipe-like or circular features that may represent kimberlite. These features are then drill tested.

If kimberlite is encountered during drilling, it is then assayed for diamonds. Given positive results, the process would then proceed to bulk sampling for grade and value, feasibility, permitting and then to mining.

Kennecott Joint Venture

The Company has a joint venture agreement with diamond producer Kennecott Canada Exploration Inc. ("Kennecott"), a subsidiary of Rio Tinto Group. Pursuant to the joint venture, the Company acts as the operator and Kennecott has a 15% interest in the Company's Mackenzie diamond project. In addition, Kennecott provided the services of a geologist (who now works directly for the Company) and a geophysicist, who are both experienced in diamond exploration.

The Company manages and operates the exploration programs and Kennecott has the right to earn additional rights in any individual kimberlite project within the Company's Mackenzie diamond project on the following basis:

- Kennecott may earn up to an additional 49% interest (15% plus up to 34% for a 49% total interest) in each individual project by completing, at its sole expense, a bulk sample and positive feasibility study within four years; and

- Kennecott may earn a further 11% interest (in addition to the 49% interest for a maximum 60% total interest) in each individual project by solely funding and managing all future evaluation through to such time as a decision to mine is made, provided that a decision to mine is made within 20 years of Kennecott earning an initial 49% interest in the individual project.

In total, to December 31, 2008, Kennecott has contributed $7,138,438 in option and contribution payments to defray exploration expenditures.

In January 2008, an affiliate of Kennecott completed a subscription for common shares of the Company. The affiliate, QIT-Fer et Titane Inc., acquired 641,025 common shares of the Company at $1.56 per share.

On November 27, 2008, the Company amended its agreement with Kennecott. Kennecott was committed, in certain circumstances, to purchasing additional Sanatana shares at a cost of $1,000,000 in January 2009 in order to preserve its option rights. Due to changes in the financial markets, Kennecott did not wish to subscribe for shares on this basis and the Company thought it would suffer undue dilution if it were to complete a $1,000,000 private placement at prevailing share prices. Accordingly Kennecott and the Company agreed to eliminate this obligation to purchase shares.

Mineral Properties

Exploration Highlights

- The Company's original permits have all reached their end and the Company now holds a total of 1.9 million acres under mineral claims in areas indicating anomalous till samples.

Greenhorn

- The Company has a portfolio of projects generated after five years of regional work that are all defined by separate areas of diamond indicator mineral anomalies. They have been named the following:

  - Greenhorn (two diamondiferous kimberlites, several unexplained till anomalies)
  - Yeltea (indicator minerals forming down ice trains)
  - Horton (an isolated cloud of indicator minerals)
  - Colville (drill ready, magnetic anomalies with indicator minerals)

- Simpson (drill ready magnetic anomalies with indicator minerals)
- Estabrook (an isolated cloud of indicator minerals)

- In October 2007, the Dharma Kimberlite was discovered on the Greenhorn project.
- Caustic fusion has shown the Dharma Kimberlite to be significantly diamondiferous with a relatively large 0.55ct stone being recovered from this relatively small sample.
- In April 2008, the Dharma Uttar kimberlite was discovered on the Greenhorn project
- Caustic fusion of 448.5 kilograms for the Dharma Uttar kimberlite, which also returned significant diamonds with over eight stones larger than 0.85 millimetres.
- The Company's goal is to find a kimberlite or kimberlites that are large enough to trigger the Rio Tinto ("Kennecott") option. Although further drilling would be required to determine the tonnage of this kimberlite, indications are that it will not be large enough to satisfy this criterion. If other kimberlites are found nearby the tonnage at Dharma may make up part of a mining complex and further work on this pipe would be justified. Sanatana's main focus is to find more kimberlites in the Greenhorn area and elsewhere on our property holdings.
- The Company drill tested 22 magnetic and EM targets in the Greenhorn area after completing a 4,300 line kilometre airborne magnetic survey (the Sulky survey) in 2007 and following up with ground geophysics on 40 targets.
- The RC drill rig was used to test 13 of these magnetic anomalies at Greenhorn at a much reduced time and cost to the diamond drill rig used for the other nine targets. The RC drill rig will be used in the future to reduce testing costs.
- Drill testing of pure geophysical anomalies on the Greenhorn property failed to find more kimberlites, yet historic till sample results demonstrate there must be many more kimberlites to explain the indicator mineral distribution,
- A till sampling program was completed in July 2008 around the Greenhorn area to close in on the source of these other till anomalies. In December 2008, the Company received a portion of the mineralogical results, which indicate a till sample, containing numerous kimberlitic indicator minerals, is located five kilometres to the northeast of the Dharma kimberlite complex.

Colville

- The Company conducted 30 ground magnetic surveys to help locate and prioritize targets prior to drill testing at Colville Lake.
- Colville Lake drilling, in August 2008, tested seven targets with no success. Some of the magnetic anomalies can be explained by islands of iron rich weathered horizon occurring beneath the till cover. The source of the indicator minerals in the area remains enigmatic.
- More till sampling was conducted in the Colville area to better understand the indicator mineral dispersion and search for a local source.

Simpson

- The ground geophysical crews recently completed magnetic surveys in the Simpson area that appear to show the characteristics of kimberlite. This area has now been slated for drill testing. The Company will conduct further surveys and apply for a land use permit in the area.

- Staking was completed in the Simpson Lake area in order to retain the most prospective indicator mineral and geophysical anomalies after the prospecting permits expired in February 2009.

Exploration Program Rationale

The discovery of the Dharma kimberlite complex is significant as it represents the first kimberlites in a newly discovered Archean craton in North America. This craton does not outcrop and until the Dharma discoveries was inferred purely from regional potential field geophysics and the occurrence of diamond indicator minerals in the glacial till. It is the Company's interpretation that the Dharma kimberlite complex occurs on the edge of this newly discovered Mackenzie craton, with the centre being 200 kilometres to the west in the vicinity of Colville Lake.

Till samples taken from the Mackenzie diamond project over the last four years have identified six separate areas as having anomalous diamond indicator minerals in glacial till. Each separate area is thought to represent a potential kimberlite field containing multiple kimberlite pipes. The chemistry from these indicator minerals shows that they were formed at the same pressures and temperatures as diamonds.

Within the Mackenzie diamond project, the Company has focused its exploration activities in selected areas. The Greenhorn, Yeltea, Colville and Simpson indicator anomalies were given priority due to their higher indicator mineral counts and the presence of abundant fosteritic olivine. Of all diamond indicator minerals, olivine is the most susceptible to chemical and physical weathering and its presence suggests that the Company may be close to source.

Greenhorn Project

Airborne geophysics and Ground Follow-up Surveys

In March 2007, the Company deployed a helicopter-based EM and magnetometer survey over the Greenhorn, Yeltea and Simpson areas using 100 metre line spacing, of which, final results were received in May 2007. This survey was designed to locate the source of diamond indicators. Ground geophysical crews followed up on several targets in the Greenhorn area prior to and during the spring melt and generated drill targets focused on magnetic anomalies. The most prominent of these, dubbed "G14", is a 250 metre by 130 metre isolated magnetic anomaly that is at the termination of a major indicator mineral train.

This was the target tested which led to the Dharma Kimberlite discovery. In October 2007 the Company flew a 4,200 kilometre magnetic survey, designated the Sulky survey which encompassed the area of interest around the Greenhorn area. The survey revealed more kimberlite targets.

The Company has completed 40 magnetic surveys, 14 gravity surveys and four Max Min surveys on the Greenhorn area since the middle of March 2008. The Company drill tested 22 surveys, which resulted in the Dharma Uttar discovery.

Dharma and Dharma Uttar Kimberlites

In August 2007, the Company was awarded a land and water use permit required to commence drilling at Greenhorn. A camp was constructed during September and drilling commenced on September 30, 2007. The Dharma Kimberlite was intersected on October 1, 2007. Three holes were drilled into this target to obtain a one tonne caustic fusion sample. Drilling was shut down with the onset of seasonal freezing.

The results for the October 2007 Dharma Kimberlite discovery are shown in Table 1 below.

TABLE 1: Diamond distribution in CIM sieves (mm)[1]

Combined Weight (kg)	0.106 Sieve	0.15 Sieve	0.212 Sieve	0.3 Sieve	0.425 Sieve	0.6 Sieve	0.85 Sieve	1.18 Sieve	1.7 Sieve	2.36 Sieve	3.35 Sieve	TOTAL
1008.9	220	138	94	38	24	17	3	0	1	0	1[2]	536

1 This testing was completed by the Thunder Bay Laboratory of Kennecott, which is assessed and registered by Intertek Testing Services NA Ltd. as conforming to the requirements of ISO 9001-2000.

2 This diamond measured 5.10 x 4.50 x 3.5 mm and weighed 0.55 carats; it is described as an octahedral aggregate, grey in colour and translucent. The five stones that sit above the 0.85 mm sieve weigh, in aggregate, 0.76 carats. The results between the separate holes and batches appear consistent. There are multiple kimberlitic phases within the Dharma Kimberlite and some of the caustic fusion samples have two to three times the average stone count of the other samples. It is too early to see any pattern to this stone distribution. The diamonds are described as being 54% white in colour and 32% have octahedral crystal habits. The largest stone 2 weighed 0.55 carats and measured 5.1 x 4.5 x 3.5 mm, falling on a 3.35 mm sieve. The Dharma Kimberlite was intersected by four drill holes. The first hole was vertical, 180 metres in length and ended in kimberlite. The second was a 60 degree angle hole collared from the same location on an azimuth of 335 degrees that exited kimberlite at 43 metres into the country-rock, dolomite. The third hole, a vertical hole collared approximately 10 metres to the east, ended at 208 metres in kimberlite. The fourth hole, collared from the location of the third hole angled at 60 degrees on a due east azimuth, exited kimberlite after five metres. The samples were taken from the first three holes.

The Company returned to the area in late February 2008 and began testing other geophysical targets. Dharma Uttar was discovered in April 2008 during the diamond drill program and 448 kilograms of kimberlite were sent to the laboratory. These returned significant diamonds.

Results for the April 2008 Dharma Uttar discovery are shown in Table 2.

TABLE 2: Diamond distribution in CIM sieves (mm)[1]

Combined Weight (kg)	0.106 Sieve	0.15 Sieve	0.212 Sieve	0.3 Sieve	0.425 Sieve	0.6 Sieve	0.85 Sieve	1.18 Sieve	TOTAL
448.47[2]	96	68	30	14	8	3	5	3	227

1 This testing was completed by the Thunder Bay Laboratory of Kennecott, which is assessed and registered by Intertek Testing Services NA Ltd. as conforming to the requirements of ISO 9001-2000.

2 A number of dolomite country rock fragment samples with clay in the joint fractures were sent for assay and returned zero diamonds - these have been excluded. These were tested to determine if the clay fracture fill was diamondiferous kimberlite. The test was negative.

There are eight stones that sit above the 0.85 millimetre sieve and these weigh, in aggregate, 0.14 carats. Their presence suggests a coarse distribution that parallels the diamond population recovered from the Dharma Kimberlite. The two kimberlites have similar diamond size distributions; however the diamonds from Dharma Uttar are described as being 41% white in colour and 19% having octahedral crystal habits. The colour, crystal shape and diamond count numbers from Dharma Uttar are different enough from those of the Dharma Kimberlite discovery

(54% white and 32% octahedral) to suggest different diamond populations. The Dharma Uttar kimberlite was intersected by six drill holes.

Dharma Uttar occurs 50 metres north of the Dharma Kimberlite discovery and together they appear to form a kimberlite complex of dykes, sills and pipes intruding into Proterozoic platform carbonates of the Dismal Lakes Group. Coral and bivalve shell fragments have been observed in the volcanic breccias in this complex. These fragments cannot be derived from the surrounding country rock and must have been sourced from younger rock higher in the sequence when the kimberlite erupted. Since the eruption event erosion has erased any trace of the younger rocks, they are now only preserved in the kimberlite. This indicates that the kimberlite complex is Devonian or younger.

The discovery of the Dharma kimberlite complex is significant as it represents the first kimberlites in a newly discovered Archean craton in North America. This craton does not outcrop and until the Dharma discoveries were made, it was inferred purely from regional potential field geophysics and the occurrence of diamond indicator minerals in the glacial till. The Company has recently received further collaborating evidence, from a report recently received from Dr. William Griffin of Macquarie University in Sydney, Australia, that an Archean craton lies beneath the platform sediments that cover the Company's properties. Dr. Griffin and his faculty assay the trace elements within diamond indicator minerals using laser ablation techniques. The results are then interpreted based on a large database from other kimberlites around the world. Dr. Griffin reports that the indicators from the Dharma Kimberlite plot at temperatures and pressures within the diamond stability field and derive a 38mW/m^2 geotherm. (For comparison, the Slave craton, which hosts the Ekati and Diavik mines exhibited a 36mW/m^2 geotherm using the same technique. The cratons hosting diamond mines in Siberia and Southern Africa have 40mW/m^2 and 42mW/m^2 geotherms, respectively).

The base of the lithosphere at the Dharma kimberlite complex plots at a depth of 180 kilometres, implying a 30-kilometre thick diamond window in the lithosphere beneath the Dharma kimberlite complex. Thermodynamic arguments indicate that for the complex to be stable over time, a deep lithospheric keel must be at least 400 kilometres in diameter. The Company has interpreted that the Dharma kimberlite complex occurs on the edge of this newly discovered "Mackenzie" craton with the centre being 200 kilometres to the west in the vicinity of Colville Lake.

The Company's option with Kennecott is triggered by locating a kimberlite or kimberlites meeting specific criteria. Triggering the Kennecott option would be advantageous as Sanatana would enjoy a free-carry period up until a bankable feasibility study is completed. It appears at this early stage of exploration that the Dharma kimberlite complex will not contain enough tonnage to meet this criteria. The Company is therefore concentrating on finding more kimberlite so it can attain more kimberlite that will meet the criteria (approximately $2 billion in situ or greater). The Dharma kimberlite complex can always be re-visited in the future. Its diamond content and distribution is encouraging and it is possible that it will be part of a future mine if more economic tonnage can be located nearby (within 30 kilometres).

RC Drilling
In July 2008, the Company tested 13 additional magnetic anomalies at Greenhorn utilizing the RC drill rig. Many of these anomalies could not be tested in winter with the diamond drill as no water was available because most lakes were frozen to their base. Although no additional

kimberlites have been discovered, the RC rig has significantly enhanced, in a cost effective and timely manner, the Company's ability to test drill targets.

Till Sample Geochemistry
In order to define future drill targets in the Greenhorn area, the Company has recently undertaken closer spaced till sampling on the Greenhorn project to further develop geochemical indicator anomalies distal to the Dharma kimberlite complex discovery.
In December 2008, the Company received mineralogical results from a portion of its summer till sampling program at the Greenhorn project. The highlight of these results is a till sample, containing numerous kimberlitic indicator minerals, located five kilometres to the northeast of the Dharma kimberlite complex. The abundance and surface textures of these indicator minerals suggest proximity to source. The grains were observed by KIM Dynamics of North Vancouver, which reports soft fragile kimberlite attached to many of the pyrope grains. This material is so fragile that it suggests the source is within hundreds of metres from the sample site.

The anomalous till sample contains 178 grains dominated by 114 pyrope, 55 ilmenite, six chromite and three eclogitic garnet and is our highest pyrope count from a sample to date. Recently received microprobe geochemical analysis results confirm the kimberlitic origin of the indicator minerals.

There is no signature in the airborne geophysical data nearby that can be linked to this anomalous sample. Detailed closed spaced ground geophysics and closed spaced sampling are planned for 2009.

Colville Project

The Company holds a land and water use permit in the area around Colville Lake. This permit allows Sanatana to drill up to 30 magnetic targets situated within a 60-kilometre radius of the hamlet of Colville Lake.

The Company took till samples down ice from many of these targets during its 2007 summer sampling program. Many of these samples returned with diamond indicator minerals, which enhanced and prioritized the pipe-like geophysical anomalies

Ground magnetic surveys were completed over the 30 targets at Colville Lake in July 2008.

The Company completed a drill program testing seven targets on the Colville project area in early September 2008. This program used a combination of diamond drill and RC rigs. The Company was concerned that the small heli-portable RC rig would not be able to penetrate deep till, as the till cover at Colville is much deeper than at Greenhorn, but it easily attained 30 metres depth in this program. The drilling targeted magnetic anomalies that had associated indicator minerals anomalies within their vicinity. The drilling did not intersect kimberlite. Most of the magnetic anomalies were explained by a flat lying iron-rich paleo-weathered horizon just beneath the till cover. These must be erosional remnants left behind by the glaciation.

The source of the indicator minerals remains enigmatic. The magnetic targets tested were selected from a 400-metre spaced fixed wing magnetic survey and it is worth noting that this survey missed detecting the Dharma target. It took a 100-metre helicopter survey to highlight this kimberlite. The Company undertook further sampling on this project to better understand the indicator mineral dispersion. The Company is currently reviewing this data to determine alternative kimberlite targets.

Simpson Project

In 2007, mineral anomaly, airborne magnetic and EM surveys were completed on the Simpson project, where the Company has a 25 kilometre by 15 kilometre indicator mineral anomaly. This generated numerous magnetic anomalies. Eight of these anomalies were followed up with ground surveys and three returned encouraging potential kimberlite anomalies, the largest being 350 metres across. The Company recently staked this area in order to retain the most prospective indicator mineral and geophysical anomalies after the prospecting permits expired in February 2009. The Company is planning to deploy the lightweight RC drill rig to test these targets later in 2009.

Kilkale Lake Project

The Company holds a drill permit around the Kilkale Lake area and had a camp there. I has dismantled the camp at this location for use in the Greenhorn program. The Company has cleaned up the site, however, the site is still subject to inspection by the government land use office. The Company holds a land use permit for the Kilkale Lake camp for the next three years and will keep the permit open in case it wishes to return within that period.

Land position

The Company's land holdings are continually changing based on exploration results expenditures, and Canada's Mining Regulations. The Company initially held a large area of ground in the form of prospecting permits and, based on exploration results, the Company has been progressively focusing on the most prospective areas and now holds mineral claims covering 1.9 million acres. As long as the Company completes its work obligations, these claims will not expire. An annual expenditure of $2 per acre is required to keep mineral claims in good standing under the Canada Mining Regulations.

Base Metal Potential

During the Company's till sampling program, which was designed to find diamonds and their indicator minerals, Sanatana directed a portion of its samples to multi-element trace element analysis. This work revealed five separate areas with elevated zinc (>250 ppm), lead and silver in the till. The highest zinc value found in the till to date is 0.3%. Up to 360 ppm of lead and up to 1.4 ppm of silver were also recorded. Ground traverses in one of these areas have recovered galena and sulphide float. The zinc anomalies appear to be associated within Ordovician limestone. Elsewhere, these same limestones host known mineralization such as the Pine Point, Polaris and Nanasivik, all past producers of lead, zinc and silver. This style of mineralization is known as Mississippi Valley and the Company is using this model to find the source of the anomalies and float. Due to the success of the Dharma kimberlite complex the Company is concentrating on diamond exploration and plans to address base metal exploration at a later date.

Exploration Budget

The Company still believes it is important to continue with an exploration program given the current economic state and has moderated its exploration budget to remain active. A $2 million exploration program is proposed for 2009 and will focus on locating the source of the new prominent indicator anomaly on the Greenhorn project, drill testing geophysical targets with indicator minerals anomalies on the Colville and Simpson projects and undertaking till samples to progress the Yeltea project. Kennecott indicated they will participate in the 2009 exploration program interesting accordance with the Kennecott joint venture. The Company has adequate financial resources to continue exploration on the Mackenzie project in 2009.

Financial

Exploration Expenditures

Mineral exploration costs formed the bulk of the Company's expenditures in the period. These costs are set out in the following table:

	Nine months ended December 31, 2008	Year ended March 31, 2008	Year ended March 31, 2007
Acquisition costs	$ -	$ 4,276	$ 232,830
Helicopter and fixed wing aircraft	3,281,918	3,598,029	3,978,563
Sampling and assays	226,092	565,006	1,383,889
Contractor and consulting	2,016,984	2,648,161	2,563,676
Project management fees	124,773	86,000	76,000
Field and camp	483,627	649,971	646,045
Transport and accommodation	458,981	673,340	895,568
Expediting	5,848	65,142	327,412
Other expenses	274,933	80,065	35,007
Reclamation provision	-	-	-
Total exploration costs for the period	6,873,156	8,369,990	10,138,990
Reimbursable bonds and deposits	(1,155,461)	938,985	(1,853,938)
Kennecott option and contribution payments	(468,093)	(1,670,345)	(2,500,000)
Net expenditures for the period	$ 5,249,602	$ 7,638,630	$ 5,785,052

At December 31 2008, the Company recorded a $11,000,000 impairment of its mineral properties. This impairment reflects weak world economic conditions, a corresponding decrease in diamond prices and the Company's ability to raise capital to exploit its mineral properties.

Selected Quarterly Financial Data

Quarter Ended	Cash and short term deposits	Mineral Properties	Income (Loss) for the Quarter	Income (Loss) per Share	
				Basic	Fully Diluted
March 31, 2007	$ 5,572,786	$ 16,019,185	$ (252,200)	$ (0.01)	$ (0.01)
June 30, 2007	3,560,890	17,688,321	(196,962)	(0.00)	(0.00)
September 30, 2007	2,373,801	19,144,011	(210,074)	(0.00)	(0.00)
December 31, 2007	3,632,878	20,923,330	(557,223)	(0.01)	(0.01)
March 31, 2008	10,058,876	23,657,815	432,651	0.01	0.01
June 30, 2008	8,028,599	26,565,020	(1,336,829)	(0.02)	(0.02)
September 30, 2008	6,012,657	28,758,990	(262,724)	(0.00)	(0.00)
December 31, 2008	$ 4,778,968	$ 28,907,417	$ (8,477,495)	$ (0.18)	$ (0.01)

The Company is an exploration stage company and did not have any sales or revenues, nor has it had any extraordinary items or discontinued operations in the most recent eight fiscal quarters. As the Company is still in the exploration stage, variances in its quarterly losses are not affected by sales or production-related factors. Variances by quarter reflect overall exploration and corporate activity and certain factors that may not recur each quarter.

The loss for the quarter ended March 31, 2007 increased because of higher travel and accommodation expenses, year-end professional fee accruals and reduced interest income from short-term deposits.

In the quarter ended June 30, 2007, the loss decreased as travel decreased and there was no need to accrue an audit fee. In the quarter ended September 30, 2007, the loss increased slightly and a decrease in stock-based compensation was offset by higher travel and accommodation costs due to fundraising activities.

The significant increase in the loss for the quarter ended December 31, 2007 was primarily attributable to stock-based compensation, although this did not represent a cash outflow to the Company.

The results of operations for the quarter ended March 31, 2008 improved as stock-based compensation went from an expense of $515,000 in the December 31, 2007 quarter to a recovery of $138,000 in the March 31, 2008 quarter. Offsetting this cost reduction were increased travel costs associated with visits to the exploration property, investor relations activity and the year-end audit accrual. The Company also recorded a $581,000 future income tax recovery as a result of reduced income tax rates enacted by the Canadian government, which resulted in income for the quarter.

In the quarter ended June 30, 2008, the loss increased due to stock-based compensation of $1,074,000 but was otherwise comparable to previous quarters.

In the quarter ended September 30, 2008, the loss decreased, primarily due to lower stock-based compensation.

In the quarter ended December 31, 2008, operating expenses declined following the delisting from AIM and a generally lower level of activity. These costs savings were offset by a $154,000 write-down of bonds. The loss for the period also reflects a $11,000,000 impairment taken against the book value of mineral properties, as described above, partially offset by a future income tax recovery against the impairment.

Results of Operations for the Three and Nine Months Ended December 31, 2008

In the discussion of results of operations and financial condition, amounts have been rounded to the nearest thousand dollars.

The loss for the three and nine months ended December 31, 2008 was $8,477,000 (2007 - $557,000) and $10,077,000 (2007 - $964,000) respectively. Some of the factors necessary to understand the Company's results of operations are:

- Consulting and advisory fees are for services other than for those directly associated with exploration activities, which are capitalized to mineral properties. These fees include fees paid to the Company's Nomad to oversee the AIM listing. Since the Company delisted from AIM in October, it will save about $70,000 in Nomad fees annually.
- Director fees for all five board members aggregate £30,000 annually (approximately $53,000 at prevailing exchange rates). Effective October 1, 2008, the Company's two executive directors agreed to forgo their director fees, reducing the aggregate annual cost to £20,000.
- Investor relations expenses relate to investor communications, including maintaining and updating the website and disseminating news releases. The Company did not undertake any significant investor communications in the quarter ended December 31, 2008.
- Management fees represent amounts paid to the Company's CEO and CFO.
- Office and administration fees represent general administrative expenses including fees paid for office administration services.
- Professional fees were paid to lawyers and auditors. The current quarter expense was low since the Company was focused on its operations. The Company expects legal fees to decline following the delisting from AIM.
- Salaries and wages represents amounts paid to employees (as opposed to contractors) net of amounts capitalized to mineral properties.
- Stock-based compensation represents the fair value of stock options over their vesting term, calculated using the Black-Scholes option-pricing model. The expense includes a reduction relating to unvested options caused by a decrease in the Company's share price.
- Travel and accommodation represents the cost of management travel to the mineral properties and for corporate development activities. Travel and accommodation expense fluctuates significantly from period to period depending on the initiatives under way. Travel is expected to decrease now that the Company has delisted from AIM.
- Interest income is earned on funds held; the amount earned in the period is a function of the principal amount, which has been declining as the funds are drawn down, and to a lesser extent on yields.
- The write-down of bonds relates to performance bonds that required work to be completed. Based on drilling results, we concluded that it was more cost effective to forfeit the bond than to undertake the exploration work.
- We recorded a future income tax recovery resulting from a reduction of our liability on the impairment of our mineral properties.

Changes in Financial Condition

Between the Company's last year-end on March 31, 2008 and December 31, 2008, the main changes in its financial condition were:

- cash decreased by $5,280,000 reflecting expenditures on operations and collection of amounts receivable;
- amounts receivable declined by $1,294,000, largely as a result of collecting Kennecott's joint venture contribution; and
- mineral properties decreased by $5,750,000; the Company spent $6,873,000 on its Mackenzie diamond project, with these expenditures partially offset by a recovery of $1,001,000 and a write-off of $154,000 in reimbursable bonds and deposits; and receipt

of $468,000 representing Kennecott's 15% share of expenditures. The Company also recorded an $11,000,000 impairment in the value of its mineral properties.

Liquidity

The following table summarizes the Company's cash on hand, working capital and cash flow:

As at	**December 31, 2008**	**March 31, 2008**
Cash and equivalents	$ 4,778,968	$ 10,058,876
Working capital	$ 4,578,585	$ 10,319,827

For the nine months ended	**December 31, 2008**	**December 31, 2007**
Cash generated by (used in) operating activities	$ (1,293,400)	$ (430,271)
Cash used in investing activities	(4,130,291)	(4,895,321)
Cash provided by financing activities	143,783	3,385,684
Change in cash	$ (5,279,908)	$ (1,939,908)

In the nine months ended December 31, 2008, cash generated by operating activities was largely accounted for by the loss for the period, offset by stock-based compensation (which does not use cash) and collection of accounts receivable.

Cash used in investing activities largely represented expenditures on mineral properties net of receipts from reimbursable bonds and a refund of exploration expenditures by Kennecott.

Cash flow from financing activities represents the exercise of warrants partially offset by some minor offering costs from a prior period offering.

As discussed above, the Company has reduced its ongoing cash requirements by (1) purchasing a reverse circulation drill rig that greatly reduces the cost of exploration activities compared to the diamond drilling used previously; (2) focusing its activities on the most promising areas; and (3) reducing operating expenses where practicable, for example, executive directors have agreed to forgo their director fees. In addition, delisting from AIM has resulted in savings in Nomad fees, professional fees and travel costs estimated at, minimally, $80,000 annually. The Company projects that these changes will reduce the annual cash used by about 40% to between $2.2 million and $2.5 million. Accordingly, with $4.8 million in cash and equivalents at December 31, 2008, the Company has enough cash to last at least 12 months.

The Company has the ability to further reduce costs, should the need arise. Favourable drilling results could lead to an accelerated exploration program, but the Company would first seek additional financing before expanding the scope of the exploration program. The Company has exercisable share purchase warrants outstanding, but these are not currently in the money and cannot be counted on as a source of cash.

The Company's activities have been funded primarily through equity financing and the Company expects that it will continue to be able to employ this form of financing. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

Adoption of New Accounting Pronouncements including IFRS

The Company has adopted new accounting pronouncements as disclosed in note 3 of the interim financial statements. Adoption of these accounting standards is not expected to have a material effect on the Company's financial position and results of operations.

In the fiscal year beginning April 1, 2011 the Company will commence reporting under International Financial Reporting Standards ("IFRS"). The Company has begun to evaluate the impact of IFRS on its financial accounting and reporting systems and will make changes in the year ending March 31, 2010 so that it can begin to prepare accounting information under IFRS for comparative purposes effective April 1, 2010.

Off-Balance Sheet Arrangements and Contingent Liabilities

During the nine months ended December 31, 2008, government agencies returned deposits to the Company. In conjunction with this transaction, the letter of deposit that Kennecott had deposited to fulfil bonding requirements for the 2008 exploration season was cancelled.

Related Party Transactions

At December 31, 2008, the Company had one employee and arrangements with a number of contractors to provide certain administrative, accounting, and management services. In addition, certain directors, officers and significant shareholders provide management and consulting services to the Company. The Company does not have any contractual commitments with related parties. Transactions with related parties for management and technical services for the nine months ended December 31, 2008 were:

Peter Miles (1)	$ 39,674
Lithosphere Services Inc. (2)	46,000
S2 Management Inc. (3)	16,624
MCSI Consulting Services Inc. (4)	2,972
	$ 105,270

(1) Mr. Miles, a director and officer of the Company, provides financial and management services to the Company.
(2) Fees paid or accrued for technical services performed by a company controlled by a director and officer of the Company.
(3) Fees paid or accrued for the services of the Company's chief financial officer to a company controlled by him.
(4) Fees paid or accrued to MCSI Consulting Services Inc., a company in which an officer of the Company holds a 50% interest, for the services of the Company's chief financial officer.

Up to September 30, 2008, the Company paid its directors annual fees of £30,000 (approximately $53,000 at prevailing exchange rates), in aggregate. The two executive directors

(Peter Miles and Buddy Doyle) agreed to forgo their director fees effective October 1, 2008 until the Company's financial position improves. Accordingly, until executive directors' fees are reinstated, aggregate annual director fees will be £20,000 ($36,000).

Contractual Obligations and Commitments

Particulars of the Company's contractual obligations and commitments are disclosed in note 10 to the December 31, 2008 financial statements. In December 2008, the Company extended its office lease for a one-year term.

Share Capital

The Company had 62,753,873 common shares issued and outstanding at December 31, 2008. In October 2008, the Company delisted its shares from AIM of the London Stock Exchange in accordance with a shareholder resolution passed at the Company's annual general meeting in September 2008.

Escrowed Shares

At the date the Company's shares were listed on the Exchange, 13,803,373 of the Company's shares were placed in escrow. These escrowed shares are to be released over a three-year automatic time-release in equal tranches of 15% of the holdings at six-month intervals, and with 10% of the holdings exempt from escrow on the date the Company's shares were first listed on the Exchange. The anniversary dates for escrow release are May 16 and November 16 of each year. Under the terms of the escrow agreement, 2,070,506 shares were released from escrow on November 16, 2008 with the result that, as of the date of this MD&A, 2,070,506 common shares remain in escrow.

Stock Option Plan

In 2005, the Company's shareholders approved a stock option plan (the "2005 Option Plan") which is a "rolling" plan that provides for the issuance to directors, officers, consultants and employees of the Company of up to 10% of the common shares of the Company that have been issued and are outstanding at the date of the stock option grant. The 2005 Option Plan was amended and restated in 2006 to comply with the requirements of the Exchange. On July 18, 2007, the Company's shareholders approved a new stock option plan (the "2007 Option Plan"), which is a continuance of the 2005 Option Plan. The 2007 Option Plan, which the Company's shareholders reapproved on September 3, 2008, is governed by the laws of British Columbia.

Stock options are non-transferable and expire at the end of five years from the date of grant, or 90 days after the termination of employment or other contracting arrangement of the option holder. The board of directors of the Company determines the exercise price, which may be no less than the market price at the day of grant. Stock options are typically granted for a five year-term with options vesting over an 18-month period.

On April 25, 2008 the Company granted 1,200,000 stock options to directors and officers of the Company at an exercise price of $1.35 for a term of five years. The Company also granted 400,000 stock options to contractors at an exercise price of $1.00 for a period of five years. The

Company also accelerated the vesting of options previously issued with a three-year vesting term so that the options now vest in tranches over an 18-month period from the date of grant.

In June 2008, the Company granted 450,000 stock options to an employee and contracts of the Company at an exercise price of $0.75 for a term of five years. These options vest in tranches over an 18-month period from the date of grant.

Share Purchase Warrants

During the nine months ended December 31, 2008 warrant holders exercised 434,619 warrants generating proceeds of $155,426.

The Company did not issue any share purchase warrants in the period. The Company has, however, revised its disclosure of shares purchase warrants to reflect 1,351,542 broker warrants issued as part of a financing in October 2007. Due to an oversight, these warrants were not disclosed in our March 31, 2008 year-end financial statements. The warrants are exercisable at $0.30 for a period expiring April 22, 2009. In the period from issuance through to December 31, 2008, holders exercised 37,429 warrants and so 1,314,113 remain outstanding.

Dividends

Sanatana has not paid any dividends in the past and does not expect to pay any dividends in the near future.

Outstanding Share Information

As of the date of this MD&A, the Company had the following securities issued and outstanding:

- 62,753,873 common shares, including 2,070,506 escrowed common shares;
- 5,220,000 stock options; and
- 9,666,519 share purchase warrants.

Changes to the Board of Directors and Management

There were no changes to the board of directors or management during the nine months ended December 31, 2008.

Risks and Uncertainties

Sanatana's business of exploring for diamonds involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and Sanatana's common shares should therefore be considered speculative.

Capital Markets and Economic Uncertainty

Sanatana does not have sufficient cash or access to capital to complete development of its mineral properties, even if it were to find an economic mineral resource. The Company's business plan relies on obtaining funding from, minimally, two sources: (1) further offerings of its equity; and (2) its joint venture partner Kennecott. A recent decline in diamond prices means that the economic return on any mine that might be built on the Company's properties has been considerably diminished and will adversely affect the Company's ability to raise money.

Given the current state of capital markets, even if the Company could complete the sizeable public offering necessary to develop its properties, it is unlikely that such an offering could be done on anything other than very dilutive terms. Furthermore, uncertainty in resource markets means that Kennecott's parent company (Rio Tinto Group) may not be prepared to fund the joint venture but would instead by prepared to have its interest diluted. If these factors make it impractical to raise funding, the Company would have to defer development until economic conditions improved.

Nature of Mineral Exploration and Development Projects

The business of diamond exploration involves a high degree of risk. Few properties that are explored are ultimately developed into mines. Sanatana's properties are in the exploration stage and at present none of the Company's properties have a known commercial diamond deposit. Proposed exploration programs are exploratory searches for such a deposit. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Company.

The Company's operations are subject to all the hazards and risks normally associated with the exploration for diamonds, any of which could result in damage to life or property or the environment. The Company's operations may be subject to disruptions caused by unusual or unexpected formations, formation pressures, fires, power failures, flooding, explosions, cave-ins, landslides, the inability to obtain suitable or adequate equipment or machinery, labour disputes, or adverse weather conditions. Although the Company maintains insurance to cover normal business risks, the availability of insurance for many of the hazards and risks is extremely limited or uneconomical at this time. Through high standards and continuous improvement, Sanatana works to reduce these risks.

The Company's operations are also subject to the additional risks associated with the short exploration season in the Northwest Territories and Nunavut. With ice and snow cover in the remote Mackenzie diamond project area from October to June, the Company's exploration program is dependent upon sufficient logistical support, including camps and fuel caches, to allow productive exploration activities during the brief arctic summer. A breakdown in logistical support could severely curtail the Company's planned exploration program.

In the event the Company is fortunate enough to discover a diamond deposit, the economics of commercial production depend on many factors, including the cost of operations, the size, quantity and quality of the diamonds, proximity to infrastructure, financing costs and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of diamonds and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial diamond production.

The profitability of the Company's operations will be dependent, inter alia, on the market price of diamonds. Diamond prices are affected by numerous factors beyond the control of the Company, including international economic and political conditions, levels of supply and demand, the policies of the Diamond Trading Company and international currency exchange rates.

Success in establishing reserves is the result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land available for exploration, the availability of suitable contractors, and other factors. If mineralization is discovered, the initial phases of drilling may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish reserves through drilling, to determine the optimal metallurgical process and to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Licenses and Permits, Laws and Regulations

Sanatana's exploration activities require permits from various government authorities and are subject to extensive federal, provincial and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. Sanatana draws on the expertise and commitment of its management team, directors, advisors and contractors to ensure compliance with current laws and fosters a climate of open communication and co-operation with regulatory bodies.

The Company believes that it holds all necessary licenses, and will receive all necessary permits under applicable laws and regulations, and believes it is presently complying in all material respects with the terms of such licenses and permits. There is no assurance that future changes in applicable regulations, if any, will not adversely affect the Company's operations. Government approvals and permits are required in connection with the exploration activities proposed for the Company's properties. To the extent such approvals are required and not obtained, the Company's planned exploration and development activities may be delayed, curtailed, or cancelled entirely.

Claim Titles and Aboriginal Rights

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. Aboriginal land claim settlements are more advanced in the Northwest Territories than they are in most other areas of Canada. The Mackenzie diamond project area is located in the Gwich'in, Sahtu and Inuvialuit settlement regions. With the exception of the Gwich'in Comprehensive Land Claim Agreement, Sahtu Dene and Metis Comprehensive Land Claim Agreement and the Inuvialuit Final Agreement pertaining to certain areas in the Northwest Territories, the Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to aboriginal issues having been instituted with respect to any of the land located within the Mackenzie diamond project area.

Conflicts of Interest

Certain of the Company's directors, officers and significant shareholders are or may become shareholders, directors and/or officers of other natural resource companies, and, to the extent that such other companies may participate in ventures with the Company, these individuals may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or of its terms. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which one or more directors or officers may have a conflict.

From time to time, the Company, together with several other companies, may be involved in a joint venture opportunity where several companies participate in the acquisition, exploration and development of natural resource properties, thereby permitting the Company to be involved in a greater number of larger projects with an associated reduction of financial exposure in any given project. The Company may also assign all or a portion of its interest in a particular project to any of these companies due to the financial position of the other company or companies.

In accordance with the laws of the province of British Columbia, the directors are required to act honestly and in good faith with a view to furthering the best interest of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed, and the financial position of the Company at that time.

For additional information, please refer to the Company's website at www.sanatanadiamonds.com. For all regulatory filings including news releases, please refer to www.sedar.com.