



Condensed Interim Consolidated Financial Statements

Period Ended September 30, 2023

Expressed in Canadian Dollars

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

The accompanying unaudited condensed interim consolidated financial statements of Sanatana Resources Inc. for the six months ended September 30, 2023 have been prepared by the management of the Company and approved by the Company's board of directors.

The accompanying unaudited condensed interim consolidated 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 consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim consolidated financial statements by an entity's auditor.

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

	Notes	September 30 2023	March 31 2023
		\$	Restated – Note 3 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	201,562	339,369
Receivables	5	23,442	37,341
Prepaid expenses		26,679	17,274
Short-term investments	6	11,000	88,000
Total current assets		262,683	481,984
Non-current assets			
Equipment	8	90,274	105,234
Total non-current assets		90,274	105,234
Total assets		352,957	587,218
LIABILITIES			
Current liabilities			
Payables and accruals	9	186,802	234,189
Loan payable	10	738,314	-
Liability to renounce exploration expenditures	16	-	174,525
Total liabilities		925,116	408,714
EQUITY (DEFICIENCY)			
Share capital	11	53,072,827	53,072,827
Reserves	11	6,972,578	6,915,578
Deficit		(60,617,564)	(59,809,901)
Total equity (deficiency)		(572,159)	178,504
Total equity (deficiency) and liabilities		352,957	587,218

Nature of operations and going concern (Note 1)

Signed on the Company's behalf by:

"Peter Miles"
Peter Miles, Director

"Ian Smith"
Ian Smith, Director

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

	Notes	Three Months Ended September 30		Six Months Ended September 30	
		2023	2022	2023	2022
			Restated – Note 3		Restated – Note 3
		\$	\$	\$	\$
Expenses					
Consulting and advisory fees		6,113	1,750	23,975	3,500
Depreciation	8	7,521	7,166	14,960	11,771
Director fees		4,000	15,000	10,556	77,500
Exploration	7	374,613	2,603,226	478,128	3,653,590
Financing	10	32,563	-	37,844	-
Foreign exchange		-	496	-	496
Investor relations		1,687	9,138	56,682	21,969
Management fees and salaries	13	57,203	68,401	126,611	142,110
Office and administration		11,810	11,380	23,837	23,641
Professional fees		16,911	1,017	39,544	35,553
Share-based compensation	12	33,900	80,700	57,000	196,400
Transfer agent fees and filing fees		10,029	6,431	11,990	13,527
Travel and accommodation		-	-	31,899	10,148
Loss before other items		(556,350)	(2,804,705)	(913,026)	(4,190,205)
Unrealized gain (loss) on short-term investments	6	(32,000)	61,000	(77,000)	(235,000)
Other income		135,182	1,248	182,363	6,448
Loss and total comprehensive loss for the period		(453,168)	(2,742,457)	(807,663)	(4,418,757)
Loss per share - basic and diluted	14	(0.01)	(0.04)	(0.01)	(0.07)
Weighted average common shares outstanding - basic and diluted		75,650,822	65,412,662	75,650,822	65,412,662

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)

Expressed in Canadian Dollars

	Number of Shares	Common Shares	Reserves	Deficit	Equity (Deficiency)
		\$	\$	\$	\$
March 31, 2023	75,650,822	53,072,827	6,915,578	(59,809,901)	178,504
Share-based compensation	-	-	57,000	-	57,000
Loss for the period	-	-	-	(807,663)	(807,663)
September 30, 2023	75,650,822	53,072,827	6,972,578	(60,617,564)	(572,159)

	Number of Shares	Common Shares	Obligation to Issue Shares	Reserves	Deficit	Equity
		\$	\$	\$	Restated – Note 3 \$	Restated – Note 3 \$
March 31, 2022	49,204,155	49,807,374	600,000	6,594,928	(54,359,275)	2,643,027
Private placements	19,836,667	2,975,500	(600,000)	-	-	2,375,500
Share issue costs	-	(89,755)	-	14,200	-	(75,555)
Shares issued for mineral properties	460,000	59,500	-	-	-	59,500
Shares issued for finder's fee	250,000	37,500	-	-	-	37,500
Share-based compensation	-	-	-	196,400	-	196,400
Loss for the period	-	-	-	-	(4,418,757)	(4,418,757)
September 30, 2022	69,750,822	52,790,119	-	6,805,528	(58,778,032)	817,615

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

Sanatana Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian dollars

Period Ended September 30	2023	2022
	\$	Restated – Note 3 \$
Cash and cash equivalents provided by (used in):		
Operating activities:		
Loss for the period	(807,663)	(4,418,757)
Adjustments for:	-	-
Depreciation of equipment	14,960	11,771
Investment income included in other income	(7,838)	(6,449)
Unrealized loss on short-term investments	77,000	235,000
Share-based compensation	57,000	196,400
Financing expense	37,844	-
Other income on flow-through premium	(174,525)	-
Changes in non-cash working capital items:		
Receivables	13,899	(167,245)
Prepaid expenses	(9,405)	101,851
Payables and accruals	(47,387)	609,497
	(846,115)	(3,437,932)
Investing activities:		
Short-term investments	-	1,000,582
Interest received	7,838	6,449
Equipment purchase	-	(74,972)
	7,838	932,059
Financing activities		
Private placements	-	2,375,500
Share issue costs	-	(75,555)
Loan proceeds	728,000	-
Loan transaction costs	(27,530)	-
	700,470	2,299,945
Change in cash and cash equivalents	(137,807)	(205,928)
Cash and cash equivalents, beginning of period	339,369	1,207,908
Cash and cash equivalents, end of period	201,562	1,001,980

Supplementary cash flow information (note 15)

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

Sanatana Resources Inc.

Notes to the Consolidated Financial Statements

Period Ended September 30, 2023

1. Nature of Operations and Going Concern

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 \$807,663 during the period ended September 30, 2023 and, as of that date, the Company’s deficit was \$60,617,564. 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 head office and principal address of the Company are located at Suite 1910 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. These consolidated financial statements were authorized for issue by the Company’s audit committee on November 20, 2023.

2. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements of the Company for the six months ended September 30, 2023 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, 2023 as filed on SEDAR+ at www.sedarplus.ca. The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

Basis of Measurement

The condensed interim consolidated 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.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ExSol (SI) Limited. All significant intercompany transactions and balances have been eliminated upon consolidation.

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

2. Basis of Presentation (continued)

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.

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 have not changed from those presented in note 4 of the Company's financial statements for the year ended March 31, 2023.

3. Changes in Accounting Policies

Exploration and evaluation expenditures

The Company has adopted a new accounting policy for exploration and evaluation expenditures. The Company has determined that the change in accounting policy enhances the relevance of the financial statements for users. In prior years, the Company capitalized exploration and evaluation expenditures when the Company had the legal right to explore a property. The Company has changed this accounting policy to expense exploration and evaluation expenditure including acquisition costs until such time that an appropriate economic assessment has been completed and there is confidence that permits can be obtained to develop the project. The accounting policy change has been applied on a retrospective basis to the consolidated financial statements.

In preparing the opening statement of financial position, the Company adjusted previously reported amounts. The effect of the change in accounting policy is presented below:

Financial position at March 31, 2023	As previously reported	Effect of change in accounting policy	As restated
	\$	\$	\$
Current assets			
Prepaid expenses	16,203	1,071	17,274
Non-current assets			
Prepaid exploration and evaluation advances	1,071	(1,071)	-
Exploration and evaluation assets	4,084,951	(4,084,951)	-
Shareholders' equity (deficiency)			
Deficit	(55,724,950)	(4,084,951)	(59,809,901)

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

3. Changes in Accounting Policy (continued)

Loss and comprehensive loss for the three months ended September 30, 2022	As previously reported	Effect of change in accounting policy	As restated
	\$	\$	\$
Exploration and evaluation expenditures	14,644	2,588,582	2,603,226
Impairment of exploration and evaluation assets	954,274	(954,274)	-
Loss and comprehensive loss	(1,108,149)	(1,634,308)	(2,742,457)
Basic and diluted loss per share	\$(0.02)	\$(0.02)	\$(0.04)

Loss and comprehensive loss for the six months ended September 30, 2022	As previously reported	Effect of change in accounting policy	As restated
	\$	\$	\$
Exploration and evaluation expenditures	64,894	3,588,696	3,653,590
Impairment of exploration and evaluation assets	954,274	(954,274)	-
Loss and comprehensive loss	(1,784,335)	(2,634,422)	(4,418,757)
Basic and diluted loss per share	\$(0.03)	\$(0.04)	\$(0.07)

Cash flow for the six months ended September 30, 2022	As previously reported	Effect of change in accounting policy	As restated
	\$	\$	\$
Cash flow from operating activities			
Loss and comprehensive loss	(1,784,335)	(2,634,422)	(4,418,757)
Impairment	954,274	(954,274)	-
Exploration expense	50,250	(50,250)	-
Prepaid expenses	5,509	96,342	101,851
Payables and accruals	98,867	510,630	609,497
Net cash used in operating activities	(405,958)	(3,031,974)	(3,437,932)
Cash flows from investing activities			
Prepaid exploration and evaluation	96,342	(96,342)	-
Exploration and evaluation assets	(3,128,316)	3,128,316	-
Net cash used in investing activities	(2,099,915)	3,031,974	932,059
Change in cash and cash equivalents	(205,928)	-	(205,928)

Loans payable

Interest expense is calculated using the effective interest rate which considers not only interest payments due on the debt but other fees charged by the lender and transactions costs such as legal fees that are directly attributable to the financing instrument.

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

4. Cash and cash equivalents

Cash on hand in banks earns interest at floating rates in effect from time to time. At September 30, 2023, the weighted average floating rate for cash and cash equivalents was 0%. Cash and cash equivalents comprise:

	September 30 2023	March 31 2023
	\$	\$
Cash	201,562	136,028
Cash equivalents	-	203,341
	201,562	339,369

5. Receivables

	September 30 2023	March 31 2023
	\$	\$
Goods and services tax	23,442	37,341
	23,442	37,341

6. Short-term Investments

	Number	Cost	Carrying Value	
			September 30 2023	March 31 2023
		\$	\$	\$
Gold Royalty Corp. warrants	245,000	670,000	11,000	88,000

The Company holds warrants to purchase up to 245,000 common shares of Gold Royalty Corp. at \$5.35 per share. Gold Royalty Corp. has the right to accelerate expiry of the warrants if the ten-day volume-weighted average price of Gold Royalty Corp. common shares exceeds \$8.02 per share. Shares received on the exercise of warrants will be subject to trading restrictions for up to one year.

The shares of Gold Royalty Corp. are traded on the NYSE American exchange but the warrants held by the Company are not publicly traded. The Company employed the Black-Scholes option-pricing model using the following assumptions to determine their fair value:

	September 30 2023	March 31 2022
Share price	\$1.73	\$2.92
Risk-free interest rate	5.03%	3.90%
Estimated volatility	44%	46%
Dividend yield	0%	1.85%
Expected life	2.18 years	2.68 years

Changes in the current period valuation assumptions resulted in a decrease of the carrying value of the warrants of \$77,000 (2022- \$235,000). This amount was charged to profit / loss.

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

7. Exploration and Evaluation Properties

Exploration Expenditures

The Company's exploration expense in the current fiscal year comprises:

Three months ended September 30, 2023	Oweegee Dome \$	Gold Rush Project \$	Fortune Project \$	Santoy \$	Alto \$
Acquisition and staking costs	-	-	-	-	-
Exploration costs					
Contractor and consultant	126,090	9,563	6,300	-	1,640
Project management fees	39,000	-	-	-	-
Field and camp	10,136	2,237	-	-	100
Transport and accommodation	174,083	3,894	-	-	1,438
Permitting and other	132	-	-	-	-
	<u>349,441</u>	<u>15,694</u>	<u>6,300</u>	<u>-</u>	<u>3,178</u>
Property total	349,441	15,694	6,300	-	3,178
Total for all properties	<u>374,613</u>				

Six months ended September 30, 2023	Oweegee Dome \$	Gold Rush Project \$	Fortune Project \$	Santoy \$	Alto \$
Acquisition and staking costs	-	-	-	-	-
Exploration costs					
Contractor and consultant	154,115	9,563	6,300	5,280	17,160
Project management fees	69,000	-	-	-	-
Field and camp	11,812	3,737	-	12,510	957
Transport and accommodation	174,770	3,894	-	1,230	1,921
Permitting and other	1,495	-	-	-	4,384
	<u>411,192</u>	<u>17,194</u>	<u>6,300</u>	<u>19,020</u>	<u>24,422</u>
Property total	411,192	17,194	6,300	19,020	24,422
Total for all properties	<u>478,128</u>				

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

7. Exploration and Evaluation Properties (continued)

The Company's exploration expense in the comparative fiscal year comprises:

Three months ended	Oweegee	Gold Rush	Fortune	Santoy
September 30, 2022	Dome	Project	Project	
Restated – Note 3	\$	\$	\$	\$
Acquisition and staking costs				
Acquisition				
Cash	-	-	-	-
Shares	-	9,100	-	-
	-	9,100	-	-
Exploration costs				
Contractor and consultant	1,392,753	(2,350)	27,683	-
Project management fees	64,650	-	-	-
Field and camp	46,158	2,150	9,125	-
Sampling and assays	44,455	2,344	-	-
Transport and accommodation	993,466	(6,770)	6,770	-
Permitting and other	3,346	1,702	(6,000)	14,644
	2,544,828	(2,924)	37,578	14,644
Property total	2,544,828	6,176	37,578	14,644
Total for all properties	2,603,226			
Six months ended	Oweegee	Gold Rush	Fortune	Santoy
September 30, 2022	Dome	Project	Project	
Restated – Note 3	\$	\$	\$	\$
Acquisition and staking costs				
Acquisition				
Cash	62,500	-	10,000	-
Shares	82,500	9,100	5,400	-
	145,000	9,100	15,400	-
Exploration costs				
Contractor and consultant	1,600,200	26,050	46,183	-
Project management fees	135,650	8,000	-	-
Field and camp	85,763	15,072	9,125	-
Sampling and assays	47,565	2,344	-	-
Transport and accommodation	1,481,676	(1,438)	6,770	-
Permitting and other	3,783	2,203	500	14,644
	3,354,637	52,231	62,578	14,644
Property total	3,499,637	61,331	77,978	14,644
Total for all properties	3,653,590			

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

7. Exploration and Evaluation Properties (continued)

Project expenditures since acquisition are:

	Oweegee Dome \$	Gold Rush Project \$	Fortune Project \$	Santoy \$	Alto \$
Acquisition and staking					
Acquisitions					
Cash	125,000	64,900	10,000	12,500	95,000
Shares and warrants	110,500	288,500	5,400	12,500	204,250
Staking	-	-	3,200	-	-
	<u>235,500</u>	<u>353,400</u>	<u>18,600</u>	<u>25,000</u>	<u>299,250</u>
Deferred exploration costs					
Contractor and consultant	2,462,444	694,325	24,800	6,882	111,373
Project management fees	347,750	93,000	5,000	68,000	91,696
Field and camp	167,970	94,247	-	15,475	11,214
Sampling and assays	186,961	74,048	-	1,777	10,848
Transport and accommodation	1,822,521	62,427	-	7,603	19,456
Permitting and other	9,445	2,065	6,500	16,484	4,409
	<u>4,997,091</u>	<u>1,020,112</u>	<u>36,300</u>	<u>116,221</u>	<u>248,996</u>
Property total	<u>5,232,591</u>	<u>1,373,512</u>	<u>54,900</u>	<u>141,221</u>	<u>548,246</u>

Oweegee Dome

In July 2021, the Company entered into an agreement with ArcWest Exploration Ltd. ("ArcWest") to option up to 80% of ArcWest's Oweegee Dome porphyry copper-gold project in British Columbia's Golden Triangle.

The Company can earn an initial 60% interest in the Oweegee Dome project by funding, over a four-year period, cumulative exploration expenditures of \$6,600,000 and by making staged cash and share payments totalling \$500,000 and 2,000,000 shares respectively and undertaking drilling on the property:

Event or Date	Cash \$	Shares	Cumulative Exploration Expenditures \$	Cumulative Drilling Commitment metres
Signing letter of intent ²	12,500	-	-	-
On TSX-V approval ²	12,500	-	-	-
December 31, 2021 ^{1,2}	25,000	300,000	600,000	-
December 31, 2022 ^{1,2}	50,000	400,000	1,600,000	1,000
December 31, 2023 ¹	100,000	600,000	3,600,000	3,000
December 31, 2024	300,000	700,000	6,600,000	6,000
	<u>500,000</u>	<u>2,000,000</u>		

¹ - Expenditure / drilling requirement satisfied

² - Paid / issued

Sanatana Resources Inc.

Notes to the Consolidated Financial Statements

Period Ended September 30, 2023

7. Exploration and Evaluation Properties (continued)

On earning a 60% interest, Sanatana will have a 60-day period to elect to earn an additional 20% interest, for an aggregate 80% interest, or form a joint venture ("JV"). The Company may earn the additional 20% interest, the second option, by completing a feasibility study on or before December 31, 2027. In order to keep the second option in good standing, the Company must pay ArcWest \$150,000 on each anniversary of the delivery of the initial interest notice until the feasibility study has been completed and delivered to ArcWest.

Following the exercise or lapse of the option to earn an additional 20% interest, the parties will form a JV to hold and operate the properties, and each party will proportionately fund or dilute. In the event a production decision is made by the JV to place the property into production, Sanatana shall arrange project financing for the JV, the repayment of which shall be made out of cash flows from the property. Should Sanatana or ArcWest's interest be diluted to less than 10%, then that interest will convert to a 2% net smelter return royalty, 1% of which may be purchased by the other party for \$5,000,000 at any time.

Gold Rush Project

In July 2020, the Company entered into an option agreement with South Shore Partnership Inc. ("South Shore") to acquire: (1) a 100% interest in the Gold Rush North Project; and (2) a 100% interest in the Gold Rush South Project (formerly the Turnbull-Carscallen Project) in the Timmins, Ontario region. In addition to the consideration paid to South Shore, the Company had to pay cash and issue shares over a three-year period to the underlying holders of the property interests in order to earn in to the properties.

In September 2022, the Company relinquished its interest in the Gold Rush South property and in July 2023, the Company relinquished its interest in the Gold Rush North property.

Fortune Project

The Fortune Project comprises two adjacent properties, the Enid property and the Fortune property.

Enid Property

In June 2022, the Company acquired a 100% interest in the Enid property, which comprises mineral claims, in the Timmins, Ontario region. The Company paid cash of \$10,000; issued 30,000 common shares with an issue-date value of \$5,400; and provided a 2% net smelter royalty ("NSR"). The Company may purchase 1% of the NSR for \$350,000 and a further 0.5% of the NSR for \$500,000 at any time.

Fortune Property

The Company staked the Fortune property in the Timmins, Ontario region and undertook a preliminary sampling program.

Santoy and Empress Properties

The Santoy and Empress properties are gold exploration properties in Ontario to which the Company has exploration rights. The Company undertook exploration programs in the period 2017 to 2020 however current period expenditures represent activity necessary to complete old work and maintain rights to the properties.

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

8. Equipment

	Computer Equipment	Vehicles	Equipment	Total
	\$	\$	\$	\$
Cost				
March 31, 2023	2,983	136,133	31,658	170,774
Purchases	-	-	-	-
September 30, 2023	2,983	136,133	31,658	170,774
Accumulated depreciation				
March 31, 2023	411	51,886	13,243	65,540
Depreciation expense	498	11,927	2,535	14,960
September 30, 2023	909	63,813	15,778	80,500
Net book value				
March 31, 2023	2,572	84,247	18,415	105,234
September 30, 2023	2,074	72,320	15,880	90,274

9. Payables and Accruals

	September 30 2023	March 31 2023
	\$	\$
Trade payables	89,035	126,401
Accrued liabilities	65,000	92,807
Due to related parties	32,767	14,981
	186,802	234,189

10. Loan Payable

In June 2023, the Company borrowed \$800,000 through a secured promissory note. The promissory note is subject to interest at 10%, payable monthly, with outstanding principal and interest due on January 31, 2024. The lender withheld \$72,000 to fund periodic interest payments. The Company pledged its British Columbia Mining Exploration Tax Credit as security and entered into a general security agreement covering all assets of the Company.

In addition to interest, the lender was paid a fee of \$8,000 and reimbursed for its disbursements. Including lender fees and disbursements, the Company incurred aggregate transaction costs of \$27,530. The effective interest rate including transaction costs is 15.4%.

The Company may extend the term until July 31, 2024 if the Company is in compliance with the terms of the promissory note. If the Company extends the term of the promissory note, there will be a further fee of \$4,000 payable to the lender.

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
Period Ended September 30, 2023

11. Share Capital and Reserves

Authorized share capital

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

Common Shares

Reserves

Reserves comprise the fair value of stock option grants, agent warrants prior to exercise and settlement of amounts with existing shareholders.

Warrants

The Company's movement in share purchase warrants is:

	Number of Warrants	Weighted Average Exercise Price
March 31, 2023	16,037,733	0.18
Issued	-	-
Expired	-	-
September 30, 2023	16,037,733	0.18

At September 30, 2023, the following warrants were outstanding:

Expiry Date	Exercise Price	Financing Warrants	Compensatory Warrants
April 26, 2024	\$0.20	2,000,000	-
May 11, 2024	\$0.20	6,883,333	120,000
June 1, 2024	\$0.20	1,035,000	89,400
December 30, 2024	\$0.10	-	410,000
December 30, 2024	\$0.15	5,500,000	-
		15,418,333	619,400

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
 Period Ended September 30, 2023

12. 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 August 2023.

In June 2022, the Company granted incentive stock options to directors, officers, employees and contractors of the Company to purchase up to 2,550,000 common shares of the Company at a price of \$0.20 per share. The stock options are exercisable on or before June 6, 2027 and vest in stages with 25% vesting on the grant date and the remainder to vest 25% every year from the date of the grant.

	Number Of Options	Weighted Average Exercise Price
March 31, 2023	6,400,000	\$0.26
Granted	-	-
Forfeited or expired	(900,000)	\$0.18
September 30, 2023	5,500,000	\$0.27

At September 30, 2023, the following options were outstanding:

Exercise Price	Outstanding Options			Exercisable Options	
	Number	Weighted Average Exercise Price	Weighted Average Remaining Life	Number	Weighted Average Exercise Price
\$0.16	600,000	\$0.16	3.07 years	600,000	\$0.16
\$0.20	2,050,000	\$0.20	3.68 years	1,537,500	\$0.20
\$0.35	2,850,000	\$0.35	2.00 years	2,850,000	\$0.35
	5,500,000	\$0.27	2.75 years	4,987,500	\$0.28

The Company incurred an expense of \$57,900 (2022 - \$196,400) for share-based payments for the six-month period ended September 30, 2023.

Sanatana Resources Inc.
Notes to the Consolidated Financial Statements
 Period Ended September 30, 2023

12. Share-Based Payments (continued)

Options granted in the period were valued using the Black-Scholes option-pricing model with the following assumptions:

Period Ended September 30	2022
Share price	\$0.175
Dividend yield	0%
Risk-free interest rate	3.06%
Estimated volatility	96%
Expected life in years	5

13. Related Party Transactions and Balances

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

	Three Months Ended September 30		Six Months Ended September 30	
	2023	2022	2023	2022
			\$	\$
Short-term compensation	87,142	115,746	173,118	269,532
Share-based payments	13,400	52,300	13,400	127,700
Total	100,542	168,046	186,518	397,232

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

	September 30 2023 \$	March 31 2023 \$
S2 Management Inc.	305	3,392
Officers	32,462	11,758
	32,767	15,150

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

14. Loss per Share

The net loss per share for the period ended September 30, 2023 excludes the exercise of share options and share purchase warrants that would be anti-dilutive. At September 30, 2023 no options (2022 – nil options) and no share purchase warrants (2022 - nil warrants) were in the money.

Sanatana Resources Inc.

Notes to the Consolidated Financial Statements

Period Ended September 30, 2023

15. Supplemental Cash Flow Information

Non-cash transactions included the following:

Period Ended September 30	2023	2022
	\$	\$
Shares issued for exploration and evaluation properties	-	97,000
Fair value of finders' warrants granted	-	14,200

16. Commitments

In December 2022, the Company undertook a flow-through financing and, as a result, was required to spend \$550,000 on eligible exploration expenditures by December 31, 2023. As of September 30, 2023, the obligation had been satisfied in its entirety.

During the period ended September 30, 2023, the Company recognized \$174,525 (2022 - \$nil) in other income related to the renunciation of the flow-through liability.

17. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At September 30, 2023, all exploration and evaluation assets and equipment were located in Canada.

18. Capital Management

The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support its exploration activities and to maintain corporate and administrative functions. The Company defines capital as equity, consisting of the issued common shares, share purchase options and warrants. The capital structure of the Company is managed to provide sufficient funding for mineral exploration and other operating activities. Funds are primarily secured through a combination of equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits, which are all held with major financial institutions.

The Company does not have any externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the period ended September 30, 2023.

Sanatana Resources Inc.

Notes to the Consolidated Financial Statements

Period Ended September 30, 2023

19. Financial Instruments and Risk Management

Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash and equivalents. Cash and equivalents generate interest based on market interest rates. At September 30, 2023, the Company was not subject to significant interest rate risk. The loan payable (note 10) charges a fixed interest rate.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to money market investments.

The Company manages its credit risk by investing only in obligations of any province of Canada, Canada or their respective agencies; banker's acceptances purchased in the secondary market and having received the highest credit rating from a recognized rating agency in Canada, with a term of less than 180 days; and bank term deposits and bearer deposit notes, with a term of less than 180 days.

The Company's maximum exposure to credit risk as at September 30, 2023 is the carrying value of cash and cash equivalents and receivables.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company manages capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and matching the maturity profile of financial assets to development, capital and operating needs. All payables are due within a year.

Currency Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at September 30, 2023, the Company's exposure to changes in foreign currency was not material.