

# **SANATANA RESOURCES INC.**

## **Condensed Interim Consolidated Financial Statements**

### **Second Quarter Ended September 30, 2018**

Expressed in Canadian Dollars

#### **CONTENTS**

Condensed Interim Consolidated Statements of Financial Position	1
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss	2
Condensed Interim Consolidated Statements of Changes in Equity	3
Condensed Interim Consolidated Statements of Cash Flows	4
Notes to the Condensed Interim Consolidated Financial Statements	5-14

**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, 2018 have been prepared by the management of the Company and approved by the Company's audit committee.

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 Canadian Institute of Chartered Professional Accountants 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

	Notes	September 30, 2018	March 31, 2018
		\$	\$
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	3	74,032	65,533
Receivables	4	12,968	3,753
Prepaid expenses		9,926	11,576
<b>Total current assets</b>		<b>96,926</b>	<b>80,862</b>
Non-current assets			
Prepaid exploration and evaluation advance		6,917	2,042
Exploration and evaluation assets	5	25,000	315,034
Equipment	6	22,992	28,242
<b>Total non-current assets</b>		<b>54,909</b>	<b>345,318</b>
<b>Total assets</b>		<b>151,835</b>	<b>426,180</b>
<b>LIABILITIES</b>			
Current liabilities			
Payables and accruals	7	255,536	213,639
Liability to renounce exploration expenditures		56,073	-
<b>Total liabilities</b>		<b>311,609</b>	<b>213,639</b>
<b>EQUITY</b>			
Share capital	8	44,089,875	43,548,571
Reserves	8	5,159,799	5,109,099
Deficit		(49,409,448)	(48,445,129)
<b>Total equity</b>		<b>(159,774)</b>	<b>212,541</b>
<b>Total equity and liabilities</b>		<b>151,835</b>	<b>426,180</b>

Going concern (Note 1)

Commitments (Note 13)

Events after the reporting date (Note 15)

Signed on the Company's behalf by:

"Peter Miles", Director

Peter Miles

"Darcy Will", Director

Darcy Will

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

# Sanatana Resources Inc.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

	Notes	Three months ended September 30,		Six months ended September 30,	
		2018	2017	2018	2017
		\$	\$	\$	\$
<b>Expenses</b>					
Depreciation	6	2,625	1,809	5,250	3,618
Exploration and property investigation		26,528	-	178,845	27,374
Filing fees		6,920	10,299	11,604	13,862
Investor relations		890	4,447	3,804	7,763
Management fees and salaries	10	46,830	43,355	98,460	96,687
Office and administration		10,420	6,476	19,719	18,279
Professional fees		19,395	4,794	21,378	9,087
Rent		15,710	15,498	31,398	26,990
Share-based compensation	9	24,400	62,900	50,700	62,900
Transfer agent fees		1,481	1,241	3,516	2,071
Travel and accomodation		1,702	347	6,180	659
<b>Loss before other income/expenses</b>		(156,901)	(151,166)	(430,854)	(269,290)
Exploration and evaluation assets impairment	5	(552,392)	-	(552,392)	-
Interest and other income		-	-	-	597
<b>Loss before income taxes</b>		(709,293)	(151,166)	(983,246)	(268,693)
Deferred income tax recovery		17,143	-	18,927	-
<b>Loss and total comprehensive loss for the period</b>		(692,150)	(151,166)	(964,319)	(268,693)
<b>Loss per share - basic and diluted</b>	11	(0.00)	(0.00)	(0.01)	(0.00)
<b>Weighted average common shares outstanding - basic and diluted</b>	11	140,649,943	138,479,834	147,091,856	137,217,539

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

# Sanatana Resources Inc.

## Condensed Interim Consolidated Statements of Changes in Equity

	Common Shares \$	Reserves \$	Deficit \$	Equity \$
<b>Balance - March 31, 2017</b>	43,428,571	4,930,299	(47,459,281)	899,589
Shares issued for Jackfish Property	120,000	-	-	120,000
Share-based compensation	-	62,900	-	62,900
Loss for the period	-	-	(268,693)	(268,693)
<b>Balance - September 30, 2017</b>	43,548,571	4,993,199	(47,727,974)	813,796

  

	Common Shares \$	Reserves \$	Deficit \$	Equity \$
<b>Balance - March 31, 2018</b>	43,548,571	5,109,099	(48,445,129)	212,541
Shares issued for Jackfish and Santoy Properties	137,500	-	-	137,500
Private placements	500,000	-	-	500,000
Share issue costs	(96,196)	-	-	(96,196)
Share-based compensation	-	50,700	-	50,700
Loss for the period	-	-	(964,319)	(964,319)
<b>Balance - September 30, 2018</b>	44,089,875	5,159,799	(49,409,448)	(159,774)

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

# Sanatana Resources Inc.

## Condensed Interim Consolidated Statements of Cash Flows

For the six months ended September 30,	Notes	2018	2017
		\$	\$
<b>Cash provided by (used in):</b>			
<b>Operating activities:</b>			
Loss for the period		(964,319)	(268,693)
Adjustments for:			
Depreciation of property and equipment	6	5,250	3,618
Interest income		-	(597)
Share-based compensation	9	50,700	62,900
Exploration and evaluation assets impairment	5	552,392	-
Deferred income tax		(18,927)	-
Changes in non-cash working capital items:			
Receivables		(9,215)	(10,027)
Prepaid expenses		1,650	2,098
Payables and accruals		31,398	(128,218)
		(351,071)	(338,919)
<b>Investing activities:</b>			
Prepaid exploration and evaluation advance		(4,875)	-
Exploration and evaluation assets	5	(114,358)	(295,018)
Interest received		-	597
		(119,233)	(294,421)
<b>Financing activities</b>			
Issuance of common shares, net of costs		478,803	-
		478,803	-
<b>Change in cash and cash equivalents</b>		8,499	(633,340)
<b>Cash and cash equivalents, beginning of period</b>		65,533	1,169,614
<b>Cash and cash equivalents, end of period</b>		74,032	536,274
<b>Cash and equivalents comprise:</b>			
Cash		74,032	136,274
Equivalents		-	400,000
		74,032	536,274

Supplementary cash flow information (note 12)

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

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

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

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

The Company has not generated revenue from operations and has no immediate plans that could generate cash from operations. The Company incurred a loss of \$964,319 during the six months ended September 30, 2018 and, as of that date the Company’s deficit was \$49,409,448. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company had cash and cash equivalents of \$74,032 at June 30, 2018 (March 31, 2018 - \$65,533).

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

### 2. Basis of Presentation

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

#### Statement of Compliance

These condensed interim consolidated financial statements of the Company for the six months ended September 30, 2018 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), on a basis consistent with the significant accounting policies disclosed in note 3 of the most recent annual financial statements as at and for the year ended March 31, 2018 as filed on SEDAR at [www.sedar.com](http://www.sedar.com). The condensed interim 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.

#### Critical Accounting Estimates and Judgements

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

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

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### 2. Basis of Presentation (continued)

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

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

#### Exploration and Evaluation Expenditures

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

#### Title to Mineral Property Interests

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

#### Income Taxes

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

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

#### Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 9.

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

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### 2. Basis of Presentation (continued)

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

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

##### IFRS 9 Financial Instruments

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

##### IFRS 15 – Revenue Recognition

The IASB issued IFRS 15, which was effective for the Company beginning on April 1, 2018. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time and over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The Company is in the process of assessing the impact of this standard on its financial statements. Adoption of IFRS 15 will not have a material effect on the Company's financial statements.

##### IFRS 16 - Leases

IFRS 16 - Leases specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring that lessees recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and will be applicable to the Company's fiscal year beginning April 1, 2019, although early adoption is permitted. The Company does not have any leases which fall within the scope of IFRS 16 and so adoption of IFRS 16 is not expected to have a material effect on the financial statements.

### 3. Cash and Cash Equivalents

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

### 4. Receivables

	September 30, 2018	March 31, 2018
	\$	\$
GST - value added tax	12,968	3,753
	12,968	3,753

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

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### 5. Exploration and Evaluation Assets

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

#### Jackfish Property

	March 31, 2018	Change	September 30, 2018
	\$	\$	\$
Acquisition costs	265,000	123,000	388,000
Sampling and assays	13,223	13,048	26,271
Contractor and consultant	161,404	46,360	207,764
Project management fees	94,000	30,000	124,000
Field and camp	16,572	5,131	21,703
Transport and accomodation	86,638	19,138	105,776
Permitting and other	14,197	681	14,878
Impairment	(336,000)	(552,392)	(888,392)
Jackfish Property	315,034	(315,034)	-

In June 2017, the TSX-V approved the Company's option to acquire a 100% interest in the Jackfish gold property in Ontario from three parties, Alto Ventures Ltd. ("Alto"), Rudy Wahl ("Wahl") and a group of prospectors referred to for convenience as "Richards et al".

The option provided that the Company pay \$375,000 over a two-year period (\$125,000 paid on closing), issue 10,850,000 common shares over a two year period (3,000,000 issued on closing and 3,500,000 issued in August 2018) and reimburse exploration expenditures of \$20,000 on closing (paid). In addition, the Company had exploration expenditure obligations over a two-year period.

The Company did not make required cash and share progress payments in June 2018. In July 2018, the Company entered into agreements with two vendors of the Jackfish Property (Alto and Wahl) to defer payment of \$100,000 from June 2018 to December 2018 in exchange for agreeing to issue 350,000 common shares as consideration. An expenditure commitment to Alto was also deferred from June 2018 to December 2018. The third option agreement with Richards et al fell into default in June 2018 since scheduled cash and share payments were not made. The Company did not reach agreement with Richards et al and lost exploration rights to that property in September 2018.

#### Impairment

At September 30, 2018, the Company completed a review of the Jackfish property and had not decided whether to make the required option payments in December 2018. Given this uncertainty, the Company fully impaired the carrying value of the Jackfish property.

# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

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

#### Santoy Property

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

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

	March 31, 2018	Change	September 30, 2018
	\$	\$	\$
Acquisition costs	12,500	12,500	25,000
Santoy Property	12,500	12,500	25,000

### 6. Equipment

	Office Furniture	Computer Equipment	Exploration Equipment	Vehicles	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
At March 31, 2017	34,703	10,271	63,497	34,204	142,675
Additions	-	-	-	16,302	16,302
At March 31, 2018 and September 30, 2018	34,703	10,271	63,497	50,506	158,977
<b>Accumulated Depreciation</b>					
At March 31, 2017	34,703	9,339	63,497	15,960	123,499
Charge for the period	-	396	-	6,840	7,236
At March 31, 2018	34,703	9,735	63,497	22,800	130,735
Charge for the period	-	198	-	5,052	5,250
At September 30, 2018	34,703	9,933	63,497	27,852	135,985
<b>Net book value</b>					
At March 31, 2017	-	932	-	18,244	19,176
At March 31, 2018	-	536	-	27,706	28,242
At September 30, 2018	-	338	-	22,654	22,992

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

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### 7. Payables and Accruals

	September 30, 2018	March 31, 2018
	\$	\$
Trade payables	208,050	190,548
Accrued liabilities	17,152	18,752
Exploration expenditures	8,334	1,982
Due to related parties	22,000	2,357
	255,536	213,639

### 8. Share Capital and Reserves

#### Authorized share capital

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

#### Common Shares

##### Fiscal 2019

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

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

In August 2018, as part of the Jackfish property option agreement, issued 2,000,000 common shares at \$0.04 per share and a further 1,500,000 common shares at \$0.03 per share for an aggregate value of \$125,000. In addition, the Company has committed to issue a further 350,000 shares in this regard (see note 5).

##### Fiscal 2018

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

# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

### 8. Share Capital and Reserves (continued)

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

	Note	Number of Shares	Share Price \$	Common Shares \$
<b>Balance - March 31, 2017</b>		135,479,834		43,428,571
Share issuance for Jackfish Property option		3,000,000	0.04	120,000
<b>Balance - March 31, 2018</b>		138,479,834		43,548,571
Share issuance for the Santoy Property option		250,000	0.05	12,500
Share issuance for the Jackfish Property option		2,000,000	0.04	80,000
Share issuance for the Jackfish Property option		1,500,000	0.03	45,000
Flow-through private placement		10,000,000	0.05	500,000
Share issuance costs		-	-	(96,196)
<b>Balance - September 30, 2018</b>		152,229,834		44,089,875

#### Reserves

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

	\$
<b>Balance March 31, 2017</b>	4,930,299
Share-based compensation	178,800
<b>Balance March 31, 2018</b>	5,109,099
Share-based compensation	50,700
<b>Balance September 30, 2018</b>	5,159,799

#### Warrants

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

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

# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

### 8. Share Capital and Reserves (continued)

Summary of outstanding warrants is as follows:

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

### 9. Share-Based Payments

The Company has a rolling stock option plan that allows the Company's board of directors to issue options to purchase up to 10% of the common shares outstanding at the grant date. Directors, officers, consultants and employees of the Company are eligible to receive stock options, subject to the policies of the TSX-V. The directors may set option terms, but options granted under the plan typically have a life of five years and vest over an 18-month period. Share-based payments expense is amortized over the vesting period. The Company's shareholders reconfirmed the option plan in December 2017.

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

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

Summary of outstanding options at September 30, 2018:

Exercise Price Range	Outstanding Options			Exercisable Options	
	Number	Weighted Average Exercise Price	Weighted Average Remaining Life	Number	Weighted Average Exercise Price
\$0.06	6,800,000	\$0.06	3.99 years	5,100,000	\$0.06
\$0.10	1,900,000	\$0.10	0.38 years	1,900,000	\$0.10
	8,700,000	\$0.07	3.20 years	7,000,000	\$0.07

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# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

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

The Company incurred an expense of \$50,700 (September 30, 2017 - \$62,900) for share-based payments for the period ended September 30, 2018.

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

For the six months ended September 30,	2018	2017
Dividend yield	0%	0%
Risk-free interest rate	1.8%	1.8%
Estimated volatility	127%	127%
Expected life in years	5	5

### 10. Related Party Transactions and Balances

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

	Three months ended		Six months ended	
	September 30,		September 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Key management personnel compensation				
Salary	30,000	30,000	60,000	60,000
Short-term benefits	995	1,107	1,989	2,214
Management fees - expensed	4,850	2,550	7,100	5,670
Share-based payments	19,200	46,250	38,500	46,250
Total	55,045	79,907	107,589	114,134

Included in the above is compensation paid through companies:

S2 Management Inc.	4,850	2,550	7,100	5,670
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S2 Management Inc. is controlled by the Company's CFO.

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

	September 30, 2018	March 31, 2018
	\$	\$
Directors and officers	22,000	2,000
S2 Management Inc.	-	357
	22,000	2,357

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

# Sanatana Resources Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2018

### 11. Loss per Share

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

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Loss for the period	(692,150)	(151,166)	(964,319)	(268,693)
Weighted average number of common shares outstanding	140,649,943	138,479,834	147,091,856	137,217,539
	(0.00)	(0.00)	(0.01)	(0.00)

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

### 12. Supplemental Cash Flow Information

Non-cash investing activities included the following:

For the six months ended September 30,	2018	2017
	\$	\$
Non-cash investing activities:		
Shares issued for exploration and evaluation assets	137,500	120,000
Payables recorded for exploration and evaluation assets	6,352	-

### 13. Commitments

a) In the current period, the Company satisfied its exploration obligation under a flow-through financing completed in 2017. In May and June 2018, the Company undertook a new flow-through financing (note 8) and at September 30, 2018 was obliged, under the terms of the financing and related tax law, to expend \$373,817 on mineral exploration before December 31, 2019.

b) The Company is contractually committed to make payments regarding premises lease as follows:

Period ending March 31, 2019 \$ 14,325

### 14. Segmented Information

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

### 15. Events after the Reporting Period

In November 2018, the Company entered into a letter of intent to acquire a copper-gold project in the Solomon Islands.