

SANATANA RESOURCES INC.

Management's Discussion and Analysis

March 31, 2019



1910—925 West Georgia Street
Vancouver BC, Canada V6C 3L2

T 604.408.6680 F 604.608.9500
E Info@SanatanaResources.com W www.SanatanaResources.com

Table of Contents

Introduction	3
Incorporation and Listing Information	4
Operating Report	4
Corporate Developments.....	4
Mineral Properties.....	4
Tirua Property	4
Empress Property	9
Santoy Property	13
Financial	17
Selected Annual Financial Data	17
Selected Quarterly Financial Data	17
Jackfish Impairment	18
Results of Operations for the Year.....	18
Results of Operations for the Fourth Quarter.....	19
Liquidity	20
Related Party Transactions.....	20
Critical Accounting Estimates.....	20
Financial Instruments	20
Share Capital	21
Share Issuances	21
Private Placements	21
Share Option Plan.....	22
Dividends	22
Outstanding Share Information	22
Risks and Uncertainties	23

SANATANA RESOURCES INC.

Management's Discussion and Analysis Year Ended March 31, 2019

This management's discussion and analysis ("MD&A") contains certain forward-looking statements that are prospective and reflect management's expectations regarding Sanatana Resources Inc. and its subsidiary's (collectively "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 in this MD&A including without limitation, statements regarding potential mineralization and resources or 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 "TSX-V") 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.

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.

The Company's audited consolidated financial statements for the year ended March 31, 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") using accounting policies consistent with IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee.

Introduction

This MD&A was prepared as of July 10, 2019 and should be read in conjunction with the Company's audited financial statements and related notes for the year ended March 31, 2019. This MD&A is intended to provide the reader with a review of the Company's performance for the year ended March 31, 2019 and through to the date of this report, and the factors reasonably expected to impact future operations and results. This MD&A contains forward-looking statements that are subject to risk factors set out above.

All financial amounts in this MD&A are in Canadian dollars unless otherwise noted.

Incorporation and Listing Information

Sanatana was incorporated under the British Columbia *Business Companies Act* on June 25, 2004. In November 2005, the Company became a reporting issuer in every province and territory of Canada, except Québec. The Company has one wholly owned subsidiary, ExSol (SI) Limited ("ExSol"), incorporated under the laws of the Solomon Islands. The Company's common shares trade on the TSX-V as a mining exploration and development company under the symbol STA.

Operating Report

The Company is an exploration stage company and is engaged in the acquisition, exploration and development of exploration and evaluation assets. The Company is primarily focused on the Tirua property in the Solomon Islands and also plans to undertake exploration on its Empress and Santoy properties in Ontario.

Sanatana's exploration programs are carried out under the supervision of the Company's president, Buddy Doyle, and exploration manager, Troy Gill. Mr. Gill meets the qualified person ("QP") requirements of *National Instrument 43-101 - Standards of Disclosure for Mineral Projects* ("NI 43-101") and is responsible for the geoscientific and technical disclosure contained in this document.

Corporate Developments

- In June 2019, the Company reached an agreement with Alto Ventures Ltd. ("Alto") reinstating Santana's option to acquire the Empress Property (part of the Jackfish Property). See *Empress Property* below.
- In June 2019, Buddy Doyle was appointed president and Ian Smith accepted the position of chairman of the board of the Company.
- In March 2019, the Company closed a private placement which generated gross proceeds of \$1,724,675, see *Private Placement* below.
- In January 2019, the Company was awarded a prospecting licence ("PL") for the Tirua porphyry copper-gold project, located in the Solomon Islands. See *Tirua Property* below.
- In January 2019, Ian Smith was appointed as a director of the Company.

Mineral Properties

Tirua Property

Overview

On November 2, 2018, pursuant to a prospecting agreement signed with Trevor Wright, Sol Mar Por Pty Ltd, Brian D Edgar and Stadnyk and Partners (collectively, the "Vendors"), the Company received a letter of intent, from the Ministry of Mines, Energy and Rural Electrification to issue a PL subject to the completion of surface access agreements ("SAA"), which allows for exploration of the Tirua project. The prospecting agreement is subject to TSX-V approval.

Sanatana's exploration and management team visited the Tirua project in November 2018 to acquire the necessary SAAs and to consider plans for an initial exploration program. The Company has engaged an independent QP to prepare a technical report in accordance with National Instrument 43-101 ("NI 43-101"). In January 2019, the Company entered into a SAA with local landowners and the PL was subsequently granted.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

The Company has hired a country manager and local geologists, liaison and labourers to supplement the technical management team in the Solomon Islands. A base has been established at Seghe on southern New Georgia Island in close proximity to the Tirua project to facilitate field exploration activities.

Prospecting Licence

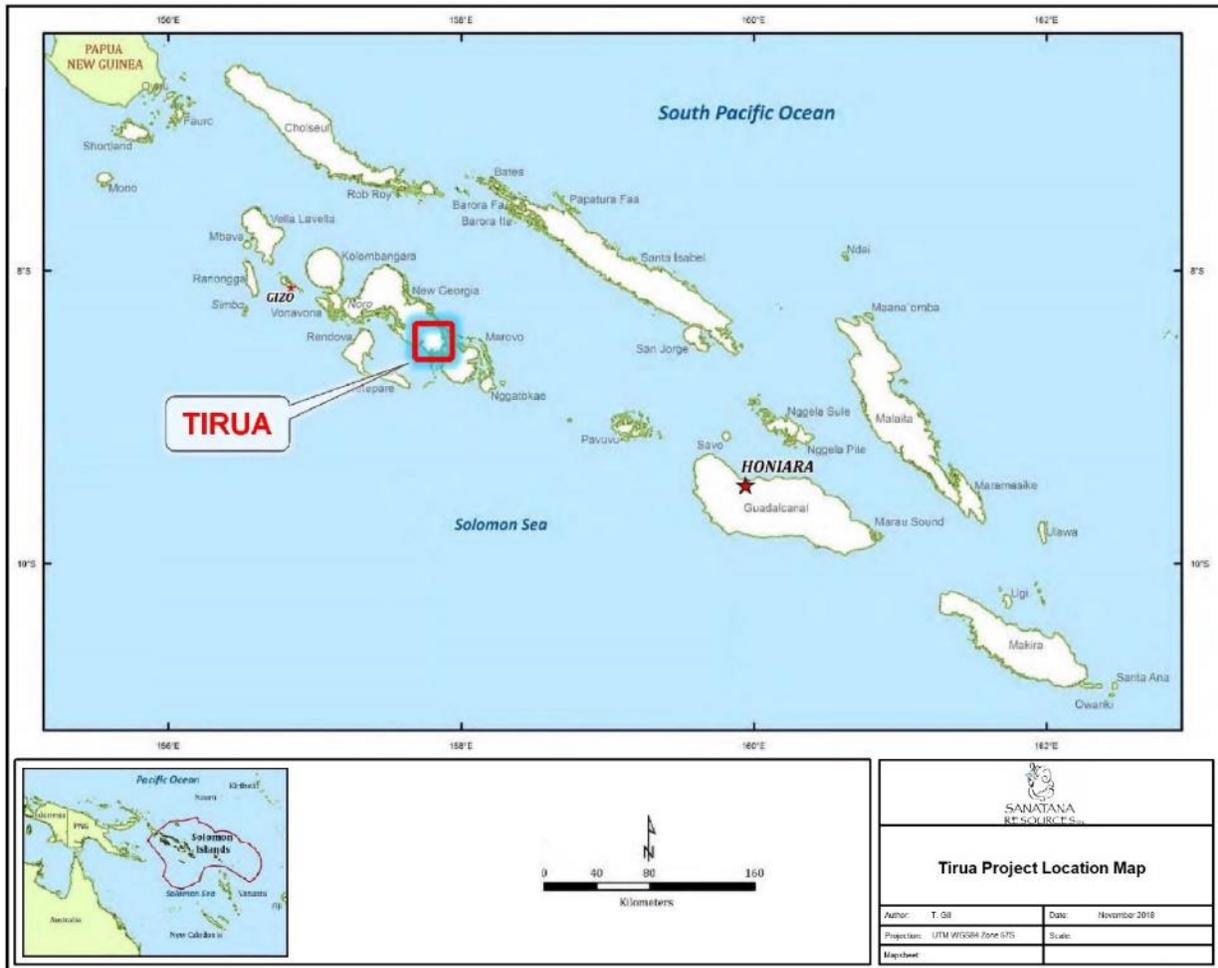
On January 31, 2019, the Minister of Mines, Energy and Rural Electrification granted the Company PL-03/19 over the Company's 282 square kilometre Tirua project in the Solomon Islands.

The PL grants Sanatana the right to prospect for minerals until January 30, 2022 at which time it may be renewed for two more two-year periods, for a total seven-year term. Each two-year extension after the first three years requires the total PL area to be reduced by 50%. The 50% reductions can be waived by applying to the Minister with a reasonable case. After making a commercial discovery, the Company may apply to convert any portion of the PL to a mining lease. Mining leases are granted for 21-year periods.

The PL is subject to certain minimum exploration requirements and other customary conditions governing the Company's rights and obligations under the PL.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Map of the Tirua Property Location:



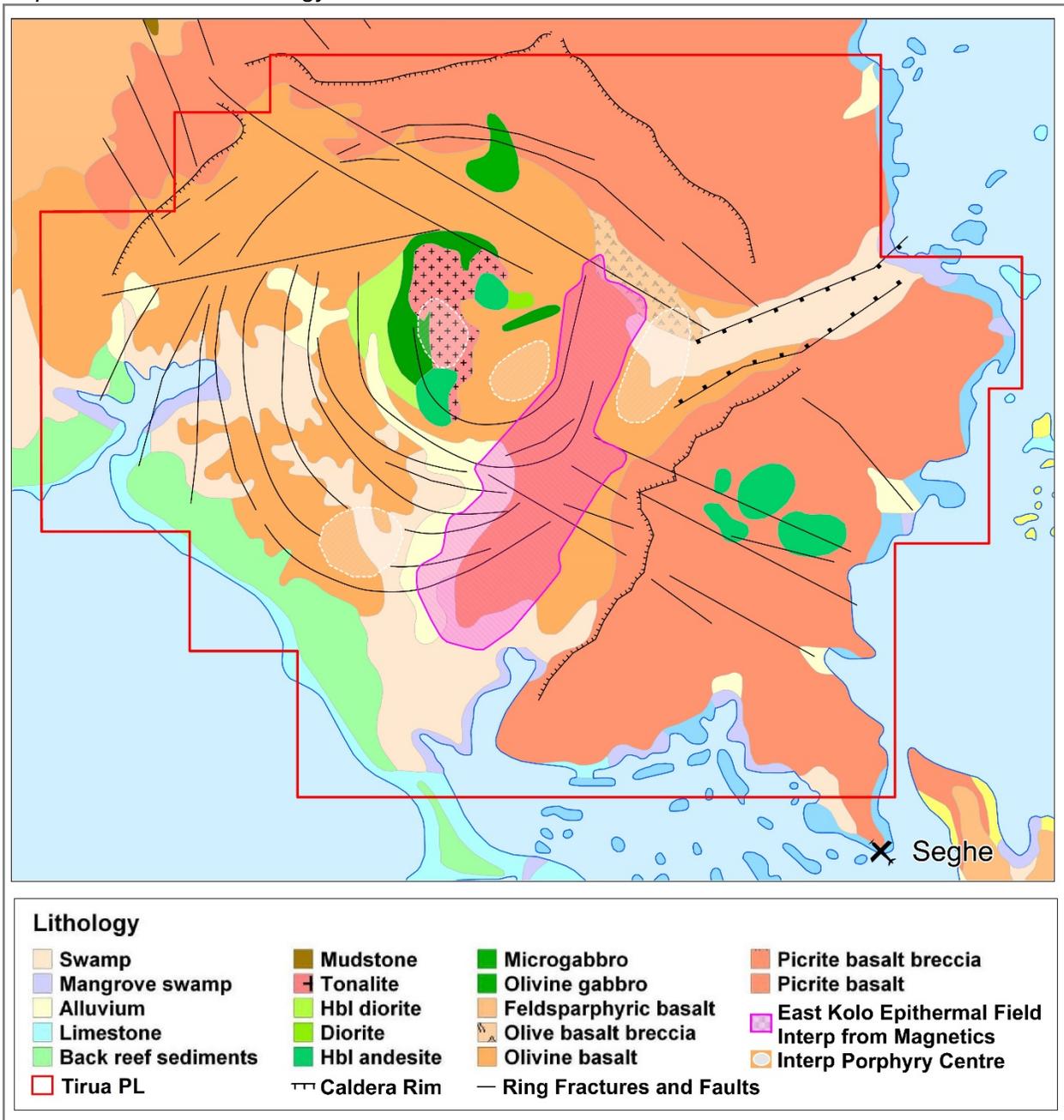
Tirua Property Description

The Tirua property, hosted in the 15km wide (68 square kilometres area) Kolo volcanic caldera, is located on New Georgia Island, in the Western Province of the Solomon Islands, part of the South Pacific archipelago of volcanic islands around the Ring of Fire. This chain of islands is renowned for hosting large copper and gold deposits, extending from Papua New Guinea in the northwest to Fiji to the southeast, most notably the giant epithermal Ladolam Gold Deposit on Lihir Island and the copper-gold porphyry Panguna deposit on Bougainville, immediately west of New Georgia Island.

SANATANA RESOURCES INC.

Management's Discussion and Analysis
Year Ended March 31, 2019

Map of Tirua PL and Geology:



Previous Exploration

Previous surface and geophysical studies at Tirua led to the drilling of 18 diamond drill holes into a porphyry copper target. This and other limited work has demonstrated that the Tirua caldera has gold and copper mineralization, much of which, including significant targets developed by Mr. Wright, remains untested and underexplored.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Highlights of past exploration:

- Drilling: The best intervals ran 62m @ 0.45% Cu from surface and 3m @ 2.52 g/t Au from 98m.
- Trenching: 15m @ 1.16 g/t Au (open).
- Maximum rock chip float samples of 37.7 g/t Au, 201 g/t Ag, and 0.25% Cu.
- Maximum soil samples of 158 g/t Au, 322 g/t Ag and 0.29% Cu.
- Completion of airborne magnetic and radiometric survey over the entire caldera highlighting a distinct ring structure.
- Wide spread alteration and porphyry Cu-Au and epithermal Au mineralization associated with geophysical / structural interpretations.

Note that previous exploration was conducted between 1983 and 2013 and the data has been verified by Mr. Wright from open file reports obtained from the Ministry of Mines, Energy and Rural Electrification. These samples may not be indicative of future results.

Exploration Plan

The Company has completed an environmental baseline study which allows for exploration fieldwork to commence. The first phase of exploration will be flying a drone-based airborne magnetic survey over the East Kolo Epithermal Field to attempt to map the extent of the alteration in greater detail. Concurrently, the Company will complete soil sampling to infill and extend the existing grid coverage to better map the geochemical footprint of the interpreted epithermal field and porphyry centres on the ground.

Trench sampling and mapping along the pre-existing forestry road network using an excavator will be undertaken when these services can be procured in order to confirm the style of clay alteration and tenor of gold mineralization. A drill program will be designed to test the highest potential targets for significant epithermal gold and porphyry copper-gold mineralization at depth dependent upon the outcomes of the initial fieldwork.

Principal Agreement Terms

The prospecting agreement calls for cash payments of up to \$360,000 to compensate the Vendors for their work in assessing the areas of interest, obtaining a letter of intent from the Solomon Islands government and negotiating land assess rights with indigenous land owners. In

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

addition, the prospecting agreement provides for the issuance of shares of the Company to the Vendors as follows:

Within 10 business days of the issuance of the PL*	25,000,000
Within 10 business days of the receipt by the Company of a resource report prepared in accordance with NI 43-101 indicating a minimum resource of gold or gold equivalent if other metals are considered to be economic:	
• if at least 1,000,000 ounces	3,700,000
• if at least 2,000,000 ounces	3,700,000
• if at least 3,000,000 ounces	3,700,000
• if at least 4,000,000 ounces	3,700,000
	39,800,000
Maximum number of shares that may be issued	39,800,000

* This issuance is subject to TSX-V approval which has not been granted as of the date of this MD&A.

Empress Property

In February 2017, the Company entered into three separate option agreements with another junior exploration company Alto, an individual prospector Rudy Wahl ("Wahl") and a group of prospectors (referred to as "Richards *et al*" for convenience) that allowed Sanatana to acquire a 100% contiguous interest in the Jackfish property, located in Ontario. The Company referred to the three optioned properties as the "Jackfish" property. The transaction was approved by the TSX-V in June 2017.

The Company did not make scheduled cash payments in June 2018 and, as a result, forfeited its rights to the Richards *et al* properties in September 2018. The Company was able to negotiate a six-month extension to December 2018 for the cash payments relating to the Alto and Wahl properties. The Company did not make the required cash payments in December 2018 and consequently forfeited the Wahl property as well. Subsequent to year-end, in June 2019, the Company reached an agreement with Alto which reinstated the option on new terms, as discussed below. The remaining property optioned from Alto is referred to as the "Empress" property.

Amendment of Empress Option

In June 2019, Sanatana entered into a second mineral option amending agreement with Alto amending its original February 2017 mineral property option agreement regarding the Empress Property. The amendment was approved by the TSX-V in June 2019.

The option agreement, as amended, allows Sanatana to postpone a cash payment, the issuance of shares and exploration expenditures to be incurred as part of the consideration for the acquisition of 100% interest in the property; all were originally due on June 21, 2018.

The Company and Alto have agreed to:

- Amend the cash consideration from \$125,000 to \$75,000, of which \$50,000 was paid on June 21, 2017 and \$25,000 was paid in June 2019.

SANATANA RESOURCES INC.

Management's Discussion and Analysis Year Ended March 31, 2019

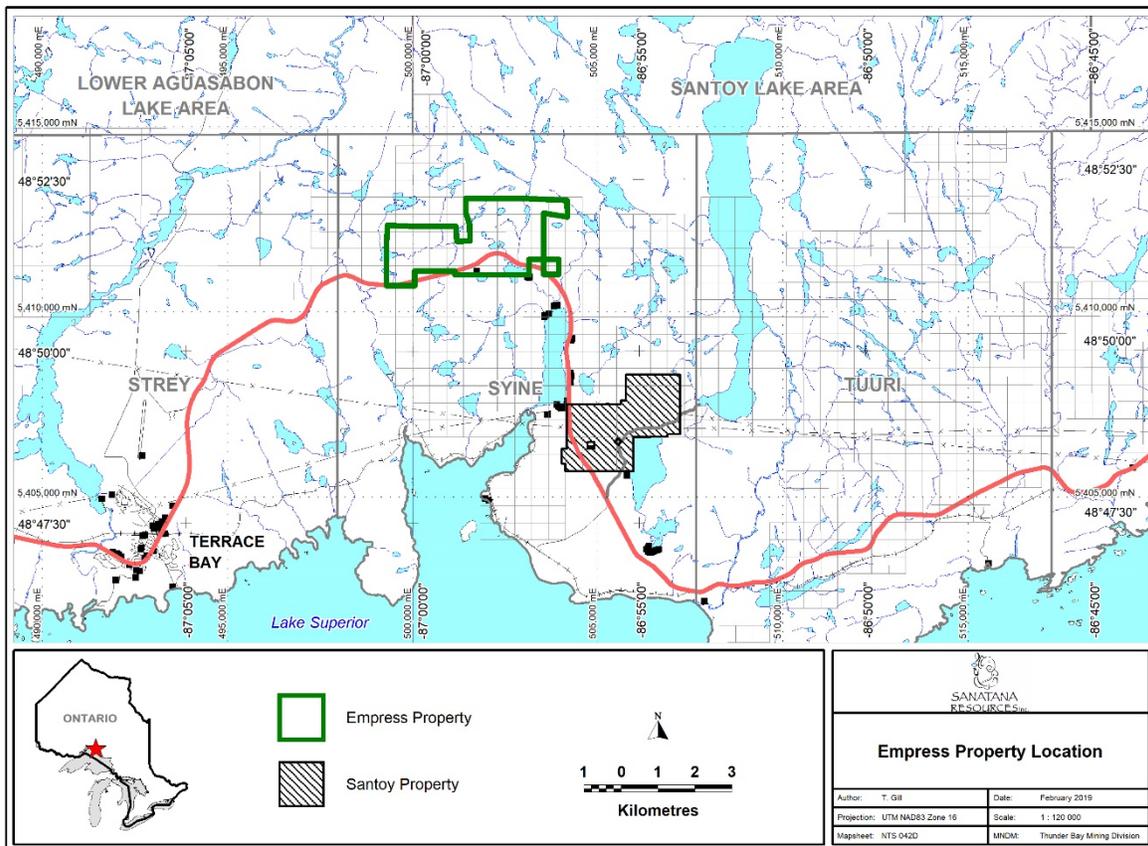
- Defer the obligation to incur \$50,000 in exploration expenditures until December 21, 2018.
- Defer the issuance of 2,000,000 shares until August 2018.
- Issue additional 1,000,000 shares and warrants to purchase up to 1,000,000 warrants at \$0.10 per share until June 2022 to satisfy the cash consideration previously contemplated.
- In consideration of the amendments included in the first amending agreement, the Company agreed to issue 200,000 shares to Alto.

The Company issued the 1,200,000 common shares and 1,000,000 warrants in June 2019.

Empress Property Description

The Empress property is located on the northern shores of Lake Superior, 18 km east of Terrace Bay via Highway 17, Ontario. The property comprises 58 cell mining claims, including 36 boundary cell mining claims, covering 733 hectares (1,812 acres).

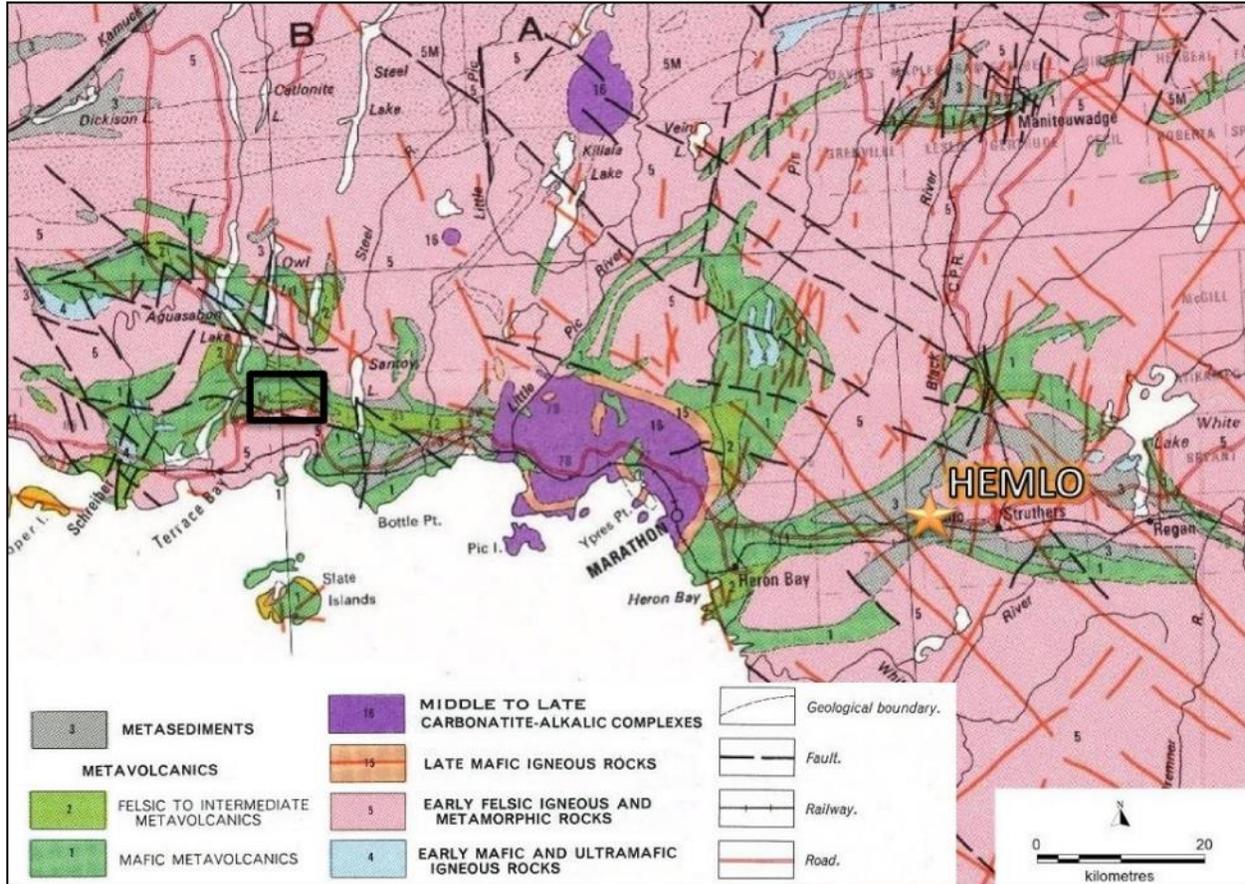
Map of the Empress Property Location:



Geologically, the Empress property lies within the Wawa terrane of the Superior province of the Canadian Shield, specifically the metavolcano-sedimentary Schreiber-Hemlo greenstone belt. The belt is known for its namesake Hemlo gold operations (Barrick Gold Corporation) and similar geological and structural targets analogous to Hemlo exist in the supracrustal greenstone rocks

of the northern parts of the Empress property. This folded and foliated sequence of metavolcanic basalts and felsic flows and tuffs intercalated with narrow chert beds trends roughly east - west around the northern margin of the syn tectonic Terrace Bay pluton, that underlies the southern half of the Empress property.

Map of the Empress Property area within the Schreiber-Hemlo greenstone belt:

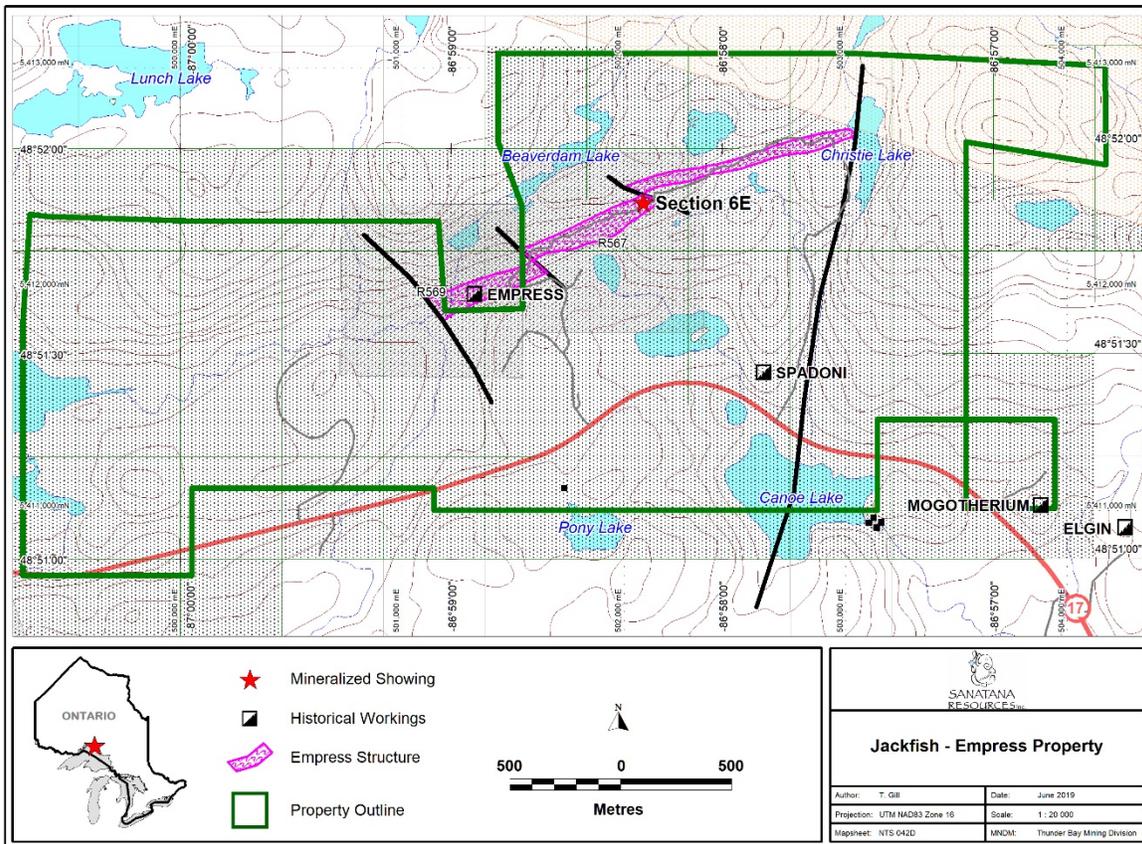


Exploration Target Rationale

The exploration target on the Empress property is the classic greenstone orogenic gold model (sometimes referred to as lode gold or shear zone hosted gold). The exploration program will focus on the Empress Structure, so named after the main trend of historical gold mineralization mined in the late 1800s at the Empress Mine. The Empress Structure is mapped as a deformation corridor up to 50 metres wide dipping steeply to the south for over 1.4 kilometres east-northeast of the old mine. In particular the Section 6 East showing provides the best opportunity for success at intersecting gold mineralization at depth based on previous surface channel sampling results and induced polarization (“IP”) geophysical data. Cameco Gold Inc. completed channel sampling at Section 6 East in 1999 that returned an interval of 16.2 m @ 1.3 g/t Au hosted by quartz-sericite schist with quartz veining and disseminated pyrite. The gold mineralized interval was co-incident with a very high chargeability and conductive IP anomaly to a depth of 75 metres.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Map of the Empress property cell mining claims and exploration targets:



Exploration Plan

When the Company received the exploration permit to drill on the Empress property, an attempt was made to re-open the access trail to Section 6 East, however the onset of winter weather and ground conditions caused the work to be abandoned for the season. The Company intends to recommence the work this summer. The exploration program will include drilling a fence of at least four diamond drill holes to depths of 200 metres beneath the Section 6 East target, stepping away at intervals of 25 metres to ensure the target depth is passed down hole. Further drilling along strike across other sections will be dependent upon positive gold intersections from the drilling on Section 6 East.

Principal Agreement Terms

As originally contemplated, the Empress option agreement allowed Sanatana to acquire a 100% interest in the Empress property from Alto by meeting certain cash payment, share issuance and exploration expenditure commitments. The Company did not make all the required payments on time but reached an agreement with Alto on new option terms. Under the revised plan, the necessary cash payments and shares issued regarding the Empress property are, in aggregate:

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

(a) Pay cash:

June 2017 (paid)	\$ 50,000
No later than June 2019 (paid)	<u>25,000</u>
Total	<u>\$ 75,000</u>

(b) Issue common shares:

June 2017 (issued)	1,000,000
No later than August 2018 (issued)	2,000,000
No later than June 2019 (issued)	200,000
No later than June 2019 (issued)	<u>1,000,000</u>
Total	<u>4,200,000</u>

(c) Issue warrants to purchase up to 1,000,000 common shares at a price of \$0.10 for a period of three years (issued).

(d) Reimburse exploration expenditures of \$20,000 on closing (paid).

(e) Incur exploration expenditures:

No later than December 31, 2019	\$ 150,000
---------------------------------	------------

(f) Pay an net smelter return ("NSR") royalty on metals of 1% to Alto, for which a 2% NSR royalty already exists in a previous assignment agreement and which royalty has an option to be reduced to 1% for cash payment of \$1,000,000.

(g) Pay an additional NSR royalty to Alto of 0.33% on any new property acquired within the area of interest contemplated in the option agreement.

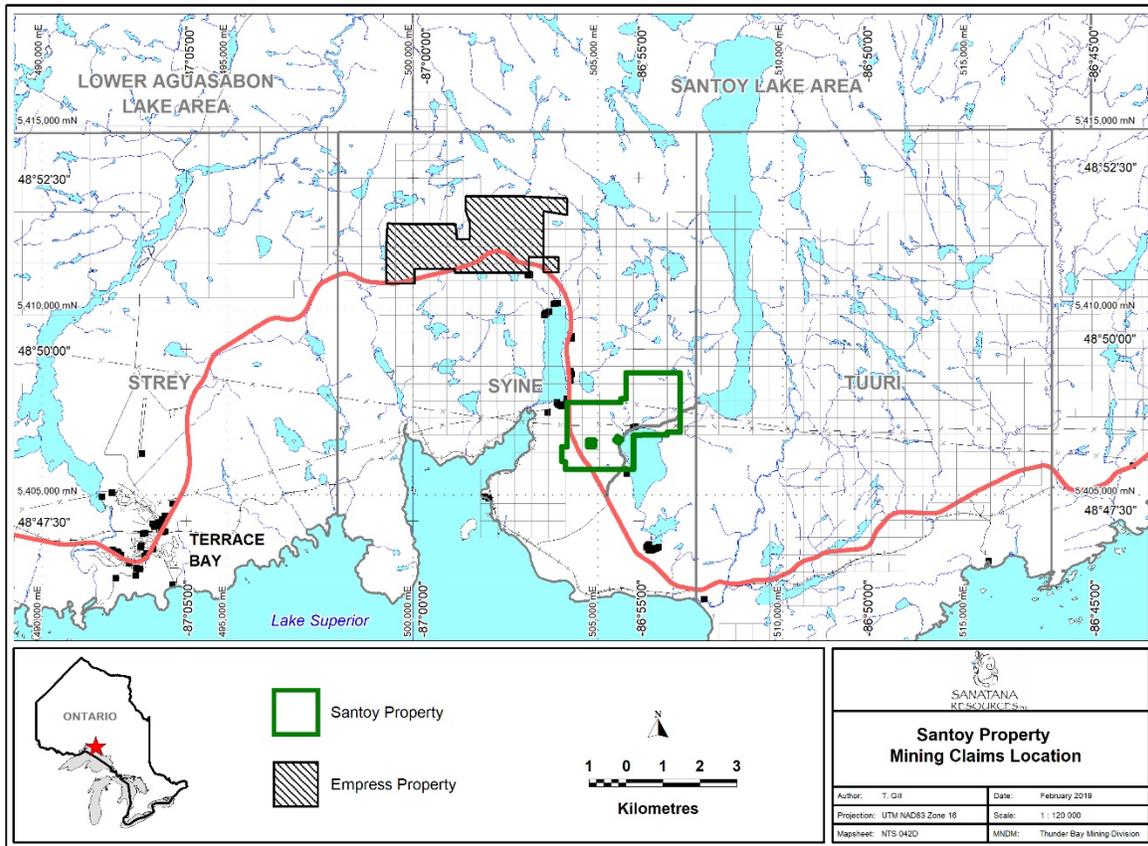
Santoy Property

Overview

In January 2018, Sanatana signed an asset purchase agreement, which was approved by the TSX-V in April 2018, with Brian Fowler and Christian Carl ("Fowler and Carl") to acquire the Santoy property in Ontario. The Santoy property is located on the northern shores of Lake Superior, 20 km east of Terrace Bay via Highway 17, Ontario.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Map of the Santoy Property Location:

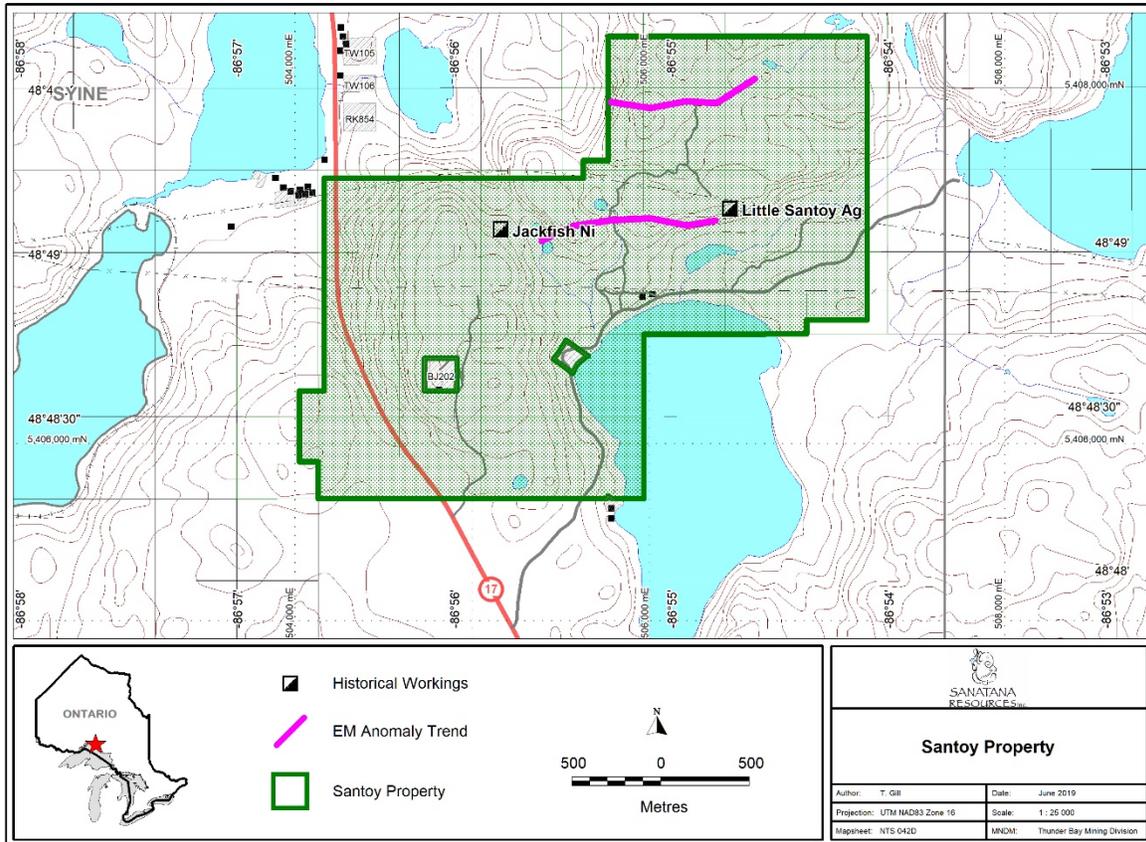


The claims originally comprised 31 units making up three mining claims covering 479 hectares (1,184 acres). Now under the new MLAS introduced April 9, 2018, the property has increased to an area of 551 hectares (1,362 acres) made up of 32 cell mining claims, half of which are boundary cells.

The Santoy property covers the southeast margin of the Terrace Bay pluton granodiorite as well as the contact zone and part of the southern arm of the Schreiber-Hemlo greenstone beltsupercrustal sequence that trends northeast - southwest. There is a strongly conductive unit in the greenstone belt sequence delineated as two distinct trends in the publicly available Ontario Geological Survey airborne electromagnetic ("EM") geophysical survey data, one of which relates directly to a historic silver showing in the east and a nickel-copper showing in the west. Elevated cobalt, copper, lead and silver values in soil sample data reviewed from previous assessment reports may also be related to this conductive unit. There is no recorded drilling within the property.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Map of the Santoy Property cell mining claims and exploration targets:



Principal Agreement Terms

To acquire a 100% interest in the property, Sanatana:

- paid Fowler and Carl \$12,500 cash;
- issued 250,000 of the Company's common shares to Fowler and Carl; and
- agreed to pay an NSR 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 payment of \$1,000,000.

Exploration Completed

The Company recently completed two grids of reconnaissance very low frequency EM ("VLF-EM") and prospecting over the two airborne EM trends on the Santoy property. Existing trails were brushed out and new trails were established to gain access into the areas of the EM trends to facilitate the surveys. On the northern conductor five lines of 500 metres length were surveyed at a spacing of 200 metres with readings recorded every 20 metres along the lines. The survey lines over the southern conductor varied from 250 to 500 metres and were spaced from 200 to 350 metres apart in order to fit between the two hydro lines running across the property.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Lithologies were recorded where outcrops were encountered throughout the surveys areas to help with interpreting the VLF-EM data. Fifteen samples of interest were collected and submitted to ALS labs in Thunder Bay for trace element and whole rock analysis. Geochemical results are pending and the processing and interpretation of the VLF-EM data is ongoing.

Exploration Plan

The Company has submitted an application for an exploration permit to conduct ground geophysical surveys and outcrop stripping and geochemical sampling focused on delineating the bedrock EM conductors in detail, with a view to identifying mineralization potential. Positive results from this work could lead to a drill program on the Santoy property.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Financial

Financial amounts in the narrative have been rounded to the nearest thousand dollars.

Selected Annual Financial Data

Year Ended	March 31 2019 \$	March 31 2018 \$	March 31 2017 \$
Results of operations:			
Loss for the year	(1,778,407)	(985,848)	(502,375)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)
Financial condition:			
Cash and cash equivalents	1,100,867	65,533	1,169,614
Exploration and evaluation assets	13,404	315,034	-
Total assets	1,150,597	426,180	1,223,484
Shareholders' equity	655,323	212,541	899,589
Cash flow:			
Exploration expenditures	(835,778)	(529,052)	-
Common share proceeds (gross)	2,224,675	-	729,500

Selected Quarterly Financial Data

The Company did not have any sales, discontinued operations, extraordinary items, cash dividends or long-term liabilities in the period under review. Material factors affecting operations and exploration and evaluation asset expenditures are described elsewhere in this MD&A.

Quarter Ended	Cash and Equivalents \$	Exploration and Evaluation Assets \$	Loss for the Quarter \$	Loss per Share ¹ (Basic and Diluted) \$
June 30, 2017	785,655	275,346	(117,527)	(0.00)
September 30, 2017	536,274	441,915	(151,166)	(0.00)
December 31, 2017	260,957	595,686	(176,486)	(0.00)
March 31, 2018	65,533	315,034	(540,669)	(0.00)
June 30, 2018	251,713	327,609	(272,169)	(0.00)
September 30, 2018	74,032	25,000	(692,150)	(0.00)
December 31, 2018	16,426	25,000	(430,609)	(0.00)
March 31, 2019	1,100,867	13,404	(383,479)	(0.00)

¹ Sum of quarterly loss per share may not equal year-to-date amounts due to rounding.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

The Company is an exploration stage company and has not generated 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. Significant variations from the normal level of operating loss include:

- September 2017 – The Company issued share purchase options that increased the quarterly loss by approximately \$60,000.
- March 31, 2018 – The Company recorded a \$336,000 impairment provision regarding the Jackfish property.
- June 30, 2018 – The Company expensed \$151,000 of exploration expenditures relating to the Richards *et al* property as the conditions necessary to capitalize this amount were not met.
- September 30, 2018 – The Company recorded a \$552,000 impairment of the Jackfish property.
- December 31, 2018 – The Company incurred \$305,000 in expenditures relating to the Tirua property and \$35,000 in Jackfish-related expenditures that would have been capitalized in prior periods.
- March 31, 2019 – the Company expensed \$79,000 in Jackfish-related expenditures that would have been capitalized in prior periods and \$164,000 in in expenditures relating to the Tirua property.

Jackfish Impairment

At September 30, 2018, the Company fully impaired the carrying value of the remaining two properties of the Jackfish property since it was unlikely that the required option payments would be made. Expenditures associated with the properties incurred after September 30, 2018 were charged to operations as incurred.

In June 2019, the Company reached an agreement with Alto that put the Empress Property, one of three that comprised the Jackfish property, back in good standing. See *Empress Property* above.

Results of Operations for the Year

The principal factors necessary to understand the Company's results of operations are:

- Abandoned claim costs represent amounts spent on properties for which the Company had lost its exploration rights but was committed to undertaking certain exploration programs. This expense includes expenditures of \$79,000 on the Empress Property for which the Company's rights were reinstated after March 31, 2019 (see *Empress Property* above).
- Exploration and property investigation expenses represent expenditures to secure and plan exploration of the Tirua property.
- Investor relations expenses relate to investor communications, including maintaining and updating the website and disseminating news releases.

SANATANA RESOURCES INC.

Management's Discussion and Analysis Year Ended March 31, 2019

- Management fees and salaries represent amounts paid to officers, employees and contractors and related benefits, net of amounts capitalized to exploration and evaluation assets or allocated to exploration or property investigation costs.
- Professional fees are amounts due to lawyers and auditors.
- Rent relates to the Company's office premises and a storage locker. The Company did not lease an office from January to May 2019 but has recommenced a short-term lease.
- Share-based compensation represents the fair value of options granted to directors, officers, employees and contractors calculated using the Black-Scholes option pricing model. The Company awarded options in September 2017 and recognized the fair value of the options over their vesting period which ended in March 2019.
- Travel and accommodation represents the cost for management travel to Sanatana's exploration and evaluation assets and for corporate development activities. Travel and accommodation expense fluctuates significantly from period to period depending on the initiatives under way.

Results of Operations for the Fourth Quarter

Comprehensive Loss for the Quarter Ended March 31	2019	2018
	\$	\$
Expenses		
Abandoned claim costs	79,486	-
Depreciation	2,625	1,809
Exploration	160,985	67,395
Filing fees	16,170	7,503
Investor relations	9,501	5,574
Management salaries and wages	54,285	49,746
Professional fees	21,158	28,976
Share-based compensation	10,700	57,300
Other operating expenses	26,663	32,515
Loss before the undernoted	(381,573)	(250,818)
Impairment of exploration and evaluation assets	(12,500)	(336,000)
Other expense	(489)	-
Interest and other income	11,083	46,149
Loss for the period	(383,479)	(540,669)

The Company's results of operations in the fourth quarter were generally consistent with prior periods and the comparative period other than:

- In fiscal 2019, the Company incurred costs for the Jackfish property, which was fully impaired, and which expenditures on these properties had been capitalized in the comparative period.
- The Company did not maintain an office in the fourth quarter of fiscal 2019, resulting in lower operating expenses than in the comparative period.
- In fiscal 2018, the Company impaired the carrying value of its Jackfish property.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

- In fiscal 2019, other income related to a reduction of a liability to renounce exploration expenditures while in fiscal 2018, other income primarily related to the sale of camp equipment previously impaired.

Liquidity

At March 31, 2019, the Company had cash and cash equivalents of \$1,101,000 (March 31, 2018 - \$66,000) and working capital of \$622,000 (March 31, 2018 – \$133,000). Specific factors affecting the Company's liquidity are:

- To fulfill its commitment under flow-through financings, the Company must expend \$265,000 on qualifying exploration activities before December 31, 2019. At least \$150,000 of this amount must be spent on the Empress Property for the Company to maintain its exploration rights to that property.
- The Company has entered into an option agreement to acquire the Tirua project (see *Tirua Project* above) and the Company will require funds to undertake an exploration program.
- A certain vendor has agreed to forebear on payment of a \$175,000 trade account until the Company completes an equity raise greater than \$2,000,000. Since reaching that agreement, the Company has not raised more than \$2,000,000 in a single equity raise.

Sanatana expects to address its funding needs through private placements but may not be able to do so on acceptable terms or at all. Accordingly, there is considerable doubt about the Company's ability to continue as a going concern. If the Company's share price improves, warrant holders may exercise their share purchase warrants, but there can be no assurance that they will do so.

Related Party Transactions

At March 31, 2019, the Company had four employees and arrangements with 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's CEO advanced \$210,000 to the Company to support operations. The advance did not bear interest and had no fixed terms of repayment. The amount was repaid prior to March 31, 2019 on closing of the March 2019 private placement.

Critical Accounting Estimates

The Company's policy is to capitalize exploration and evaluation costs in certain circumstances. There can be uncertainty as to the value of those carrying costs and in title in the underlying assets.

The Company has losses carried forward which should be available to offset any likely taxable income, but flow-through accounting requires estimates of tax effects that could be material.

Share-based payment transactions such as options are subject to assumptions which can have a material bearing on the recorded expense.

Financial Instruments

Sanatana does not have any financial instruments that are likely to be settled for other than face value, so the risk to the business from financial instruments is low.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

Share Capital

The Company had 186,723,334 and 138,479,834 common shares issued and outstanding at March 31, 2019 and at March 31, 2018 respectively.

Share Issuances

In April 2018, the Company issued 250,000 common shares to Fowler and Carl pursuant to the Santoy property option agreement.

In May and June 2018, the Company issued 10,000,000 common shares pursuant to a private placement, see *Private Placements – May 2018* below.

In August 2018, the Company issued 3,500,000 common shares to Alto and Wahl, pursuant to the Jackfish Property option agreements, see *Jackfish Property* above.

In March 2019, the Company issued 34,493,500 common shares pursuant to a private placement, see *Private Placements – March 2019* below.

In June 2019, the Company issued 1,200,000 common shares to Alto, see *Empress Property* above.

Private Placements

May 2018

In May 2018, the Company announced a non-brokered private placement to issue up to 12,000,000 flow-through shares at \$0.05 per flow-through shares for gross proceeds of up to \$600,000. The flow-through shares were common shares of the Company that are “flow-through shares” within the meaning of the *Income Tax Act* (Canada).

In May 2018, the Company closed the first tranche of the private placement issuing 6,000,000 flow-through shares at \$0.05 per unit for gross proceeds of \$300,000. All securities issued in connection with the first tranche closing are subject to a statutory hold period that expired on September 4, 2018 in accordance with applicable securities legislation. In June 2018, the Company closed the second and final tranche of the private placement issuing 4,000,000 flow-through shares at \$0.05 per unit for gross proceeds of \$200,000. All securities issued in connection with the second tranche closing were subject to a statutory hold period that expired on October 6, 2018 in accordance with applicable securities legislation. The proceeds from the flow-through financing were to be used for exploration on the Company's Jackfish property.

March 2019

In March 2019, the Company closed a non-brokered private placement comprising 34,493,500 units at \$0.05 per unit for gross proceeds of \$1,724,675.

Each unit consists of one common share in the capital of the Company and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.10 on or before March 20, 2022.

The Company paid eligible finders aggregate commissions of \$103,577. The Company also issued a total of 2,029,545 non-transferable finder's warrants. Each finder's warrant entitles the holder to purchase an additional common share at a price of \$0.10 per common share for a period expiring on March 20, 2022.

SANATANA RESOURCES INC.
Management's Discussion and Analysis
Year Ended March 31, 2019

All securities issued are subject to a statutory hold period expiring on July 21, 2019 in accordance with applicable securities legislation.

The Company expects to use net proceeds from the offering for exploration and development activities on the Company's exploration projects and for working capital purposes.

Share Option Plan

Plan Description

The Company has a rolling share option plan that provides an incentive to directors, officers, employees, management and others who provide services to the Company. Under the option plan, a maximum of 10% of the issued and outstanding common shares at the time an option is granted, less common shares reserved for issuance on exercise of options then outstanding under the option plan, are reserved for options to be granted at the discretion of the board to eligible optionees.

Options granted under the option plan are non-assignable and non-transferable and are issuable for a period of up to ten years. In the case of employment or other contracting arrangements of a director, officer, employee or consultant of the Company being terminated, the options will immediately terminate without right to exercise. The board of directors of the Company determines the exercise price, which may be no less than the discounted market price, as defined in the option plan, at the day of grant. The Company's shareholders re-approved the plan in January 2019.

Option Expiry

In February 2019, options to acquire up to 1,900,000 common shares expired unexercised and in June 2019, options to acquire up to 100,000 common shares expired unexercised.

Dividends

The Company has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Outstanding Share Information

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

- 187,923,334 common shares;
- 37,523,045 warrants to purchase common shares; and
- 6,700,000 stock options.

In addition, subject to TSX-V approval, the Company has committed to issue 25,000,000 common shares under the terms of its prospecting agreement, see *Tirua Property* above.

Fully diluted share capital based on outstanding shares, options and warrants is therefore 232,146,379 common shares. In addition, the Company has entered into agreements that could result in a further 39,800,000 common shares being issued as consideration for the Tirua project (see *Tirua Property* above).

SANATANA RESOURCES INC.

Management's Discussion and Analysis Year Ended March 31, 2019

Risks and Uncertainties

Sanatana's business of mineral resource exploration 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; Sanatana's common shares should therefore be considered speculative.

Capital Markets and Economic Uncertainty

Sanatana will have to raise additional funds to fulfill its Tirua project obligations and develop the property, even if it were to find an economic mineral resource. The Company's business plan currently relies on obtaining funding through offerings of its equity.

Nature of Mineral Exploration and Development Projects

The business of mineral exploration involves a high degree of risk. Few of the properties that are explored are ultimately developed into mines. 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.

Mineral exploration is subject to risks which could result in damage to life or property or the environment. The Company's business is 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 operating standards, Sanatana works to reduce these risks.

In the event the Company is fortunate enough to discover a sizable deposit, the economics of commercial production depend on many factors, including the cost of operations, the size, quantity and quality of ore concentration of gold, proximity to infrastructure, financing costs and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use 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 production.

The profitability of the Company's operations will be dependent on the market price of the resources it is seeking, currently gold and diamonds. Resource prices are affected by factors beyond the control of the Company, including international economic and political conditions, levels of supply and demand 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.

Risk of Exploration in the Solomon Islands

Since its formation, Sanatana has undertaken exploration in Canada. Now that Sanatana is securing an option on the Tirua property, the Company will be subject to operational and political

SANATANA RESOURCES INC.

Management's Discussion and Analysis Year Ended March 31, 2019

risks that are higher than it has experienced in the past. Distance from Canada and the difficulty in directly supervising operations will increase operational risk. Furthermore, the Solomon Islands are subject to political risk arising from ethnic tensions and the results of climate change that could affect the short- or long-term prospects for the Tirua property.

Impact of Jackfish Forfeiture on Development of the Santoy Property

At present, and based on the Company's current understanding of the area's mineralization, the loss of the Jackfish property would not have a material impact on the Company's ability to develop the adjoining Santoy lands. As the Company gains a better understanding of the area's geology, it is possible that it will discover that development of the properties is more closely linked than currently understood. Accordingly, if the Company moves to develop the Santoy Property, it is possible that the Company may find that the lack of a complete land package adversely affects its ability to fully benefit from its holdings on the Santoy Property.

Conflicts of Interest

Certain of the Company's directors, officers and significant shareholders are or may become shareholders, directors 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.

Additional information is available at the Company's website at www.sanatanaresources.com. For all regulatory filings including news releases, please refer to the Company's profile on www.sedar.com.