

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Sanatana Resources Inc. (“**Sanatana**” or the “**Company**”)
1910 – 925 West Georgia Street
Vancouver, BC V6C 3L2

Item 2. Date of Material Change

December 11, 2020 and December 17, 2020.

Item 3. News Release

News Releases dated December 11 and 17, 2020 was disseminated via Newsfile Corp. and filed on SEDAR on December 11 and 17, 2020 respectively.

Item 4. Summary of Material Change

The Company announced the completion of the following transactions:

1. The sale of its net smelter return royalty on the Watershed Property (the “**Watershed Royalty**”) to Ely Gold Royalties Inc. \$2,500,000 in cash and 1,000,000 Ely Gold warrants (the “**Ely Gold Warrants**”);
2. A non-brokered private placement of common shares of Sanatana (“**Sanatana Share**”) to Ely Gold for gross proceeds of approximately \$500,000 (the “**Ely Placement**”); and
3. A non-brokered private placement of flow-through units for gross proceeds of approximately \$1,200,000 (the “**Private Placement**”).

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Royalty Sale

Sanatana sold the Watershed Royalty to Ely Gold for in exchange for \$2,500,000 in cash and 1,000,000 Ely Gold Warrants. The Ely Gold Warrants have a five-year term and will have an exercise price of \$1.31. They can be accelerated if Ely Gold common shares trade at over \$1.97 for a 10-day period. A finders’ fee of \$150,000 was paid by Sanatana to an arms-length party.

Ely Placement

The Company completed the Ely Placement and issued an aggregate 1,666,666 Sanatana Shares, at a price of \$0.30 per Sanatana Share, for aggregate gross proceeds to the Company of approximately \$500,000.

Private Placement

The Company completed the Private Placement in two tranches and issued an aggregate 4,800,000 flow through units (the “**FT Units**”), at a price of \$0.25 per FT Unit, for aggregate gross proceeds to the Company of \$1,200,000.

Each FT Unit consists of one flow-through share (a “**FT Share**”) pursuant to the *Income Tax Act* (Canada) and one-half of one share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant will entitle the holder to purchase one non-flow-through common share of the Company (a “**Warrant Share**”) at a price of \$0.35 per Warrant Share for a period of 24 months from the closing date.

In connection with the Private Placement, Sanatana paid a cash fee of \$7,000 and issued 28,000 non-transferable share purchase warrants (the “**Finder Warrants**”) pursuant to the terms of a finder's fee agreement between the Company and a finder. Each Finder Warrant is exercisable for one common share in the capital of the Company (a “**Share**”) at an exercise price of \$0.35 for a period expiring December 17, 2022.

Sanatana has received conditional approval from the TSX Venture Exchange prior to the closing of the Private Placement. The securities issued in connection with the Private Placement are subject to a statutory four-month hold period which expires on April 10, 2021 as to the first tranche completed on December 9, 2020 and on April 18, 2021 as to this second tranche completed on December 17, 2020.

The proceeds from the Private Placement will be used for mineral exploration and development of the Company's properties in Ontario.

The securities being offered have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

All references to currency in this news release are to Canadian currency.

For further information on the closing of the Private Placement, please refer to Sanatana's news releases dated December 9 and 17, 2020 filed under its profile at www.sedar.com.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Peter Miles, Chief Executive Officer
Telephone: 604-408-6680.

Item 9. Date of Report

DATED at Vancouver, BC, this 21st day of December, 2020.