

Sanatana Resources Inc. Completes Sale of the Watershed Royalty

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Vancouver, Dec. 11, 2020 - [Sanatana Resources Inc.](#) (TSXV: STA) ("Sanatana" or the "Company") has closed of the sale of its 1% net smelter returns royalty (the "Watershed Royalty") that was announced on September 29, 2020 to [Ely Gold Royalties Inc.](#) ("Ely Gold"). The Watershed Royalty was granted to Sanatana in connection with an Asset Purchase Agreement between the Company and Trelawney Augen Acquisition Corp., now IAMGOLD Corporation ("IAMGOLD"), dated January 12, 2016, (the "Purchase Agreement") whereby IAMGOLD acquired a 100% interest in 46 mining claims in Chester and Yeo Counties, Ontario (the "Watershed Property"). In addition to the sale of the Watershed Royalty, Ely Gold was assigned the Purchase Agreement and participated in a private placement of Sanatana Common shares (the "Private Placement" and collectively the "Transactions") The Transactions closed on December 10, 2020 (the "Closing"). All currency references are denominated in Canadian dollars.

Peter Miles, CEO, states, "We are pleased to monetize our Watershed Royalty asset. The \$3,000,000 in cash from the Transactions will allow Sanatana to accelerate the exploration of our core property assets as well as to consider additional property acquisitions. The 1,000,000 5-year warrants exercisable at a \$1.31 will allow Sanatana shareholders to participate in Ely Gold, an aggressive and rapidly growing royalty company. We look forward to commencing our initial drill program at the Gold Rush project early in the first quarter of 2021. In addition, initial landholder negotiations for our Sutakiki letter of intent are proceeding well and we look forward to travelling to the Solomon Islands to conduct initial due diligence."

The Watershed Royalty Purchase

Ely Gold acquired the Watershed Royalty from Sanatana for total consideration of \$2,500,000 in cash and 1,000,000 Ely Gold warrants (the "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. Securities issued under the Ely Gold Warrants will be subject to a four-month hold period. A finders' fee of \$150,000 was paid to an arms-length party.

Purchase Agreement Assignment and Private Placement

Sanatana and Ely Gold have also executed a definitive agreement whereby Sanatana assigned its rights and interest in the Purchase Agreement to Ely Gold (the "Assignment") for \$10,000 cash. In connection with the Assignment, Ely Gold purchased, for \$500,000, 1,666,666 Sanatana common shares (the "Common Shares") at \$0.30 through a non-brokered private placement. Securities issued under the Private Placement will be subject to a four-month hold period which will expire four months and one day from the date of closing of the Private Placement.

About the Company

[Sanatana Resources Inc.](#) is a mineral exploration and development company focused on high-impact properties in Canada and the Western Pacific. With an award winning technical team and experienced management and board of directors, Sanatana is based in Vancouver and is listed on the TSX Venture Exchange (TSXV: STA).

[Sanatana Resources Inc.](#)

(signed) "Peter Miles" _____

Peter Miles
Chief Executive Officer

For additional information on the Company, please contact Mr. Peter Miles, Chief Executive Officer at (604) 408-6680 or email investor@sanatanaresources.com.

To be added to the email distribution list, please email ir@sanatanaresources.com with "Sanatana" in the subject line.

Cautionary Statement Regarding "Forward-Looking" Information

Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "plans", "expects", "intends", "is expected", "potential", "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond Sanatana's control. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.

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