FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Sanatana Diamonds Inc.
1925 - 925 West Georgia Street
Vancouver, British Columbia
V6C 3L2

Item 2 Date of Material Change

February 5, 2008

Item 3 News Release

A press release with respect to the material change described herein was issued and filed on SEDAR on February 5, 2008.

Item 4 Summary of Material Change

Sanatana Diamonds Inc. announced that it had closed a private placement of 4,200,055 Units and 2,793,500 Flow-Through Shares at a price of $1.35 per Unit and $1.55 per Flow-Through Share, raising total gross proceeds of $9,999,999.25.

Item 5 Full Description of Material Change

Sanatana Diamonds Inc. ("Sanatana" or the "Company") (ticker symbol STA TSX-V or SAN London AIM) announced that it had closed a private placement of 4,200,055 Units and 2,793,500 Flow-Through Shares at a price of $1.35 per Unit and $1.55 per Flow-Through Share, raising total gross proceeds of $9,999,999.25. The Units consist of one common share of the Company and one-half of one warrant, each whole warrant entitling the holder to purchase one common share of the Company at an exercise price of $1.65 for a period of 18 months following the closing. A syndicate of agents led by Genuity Capital Markets and including J.F. Mackie & Company Ltd., Haywood Securities Inc. and Raymond James Ltd. acted as agents in connection with the brokered portion of the private placement. The agents received broker warrants to purchase in aggregate 489,549 common shares of the Company at an exercise price of $1.35 for a period of 12 months following the closing. All securities issued in connection with the private placement are subject to a four month hold period ending June 6, 2008.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Confidentiality is not requested.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information contact Peter Miles, President and Chief Executive Officer of Sanatana Diamonds Inc. at 604-408-6680.

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 6TH day of February, 2008.

SANATANA DIAMONDS INC.

By: Peter Miles
President and Chief Executive Officer

NEWS RELEASE

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NOT FOR DISEMMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRE SERVICES

SANATANA ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Vancouver, British Columbia, Canada, February 5, 2008. Sanatana Diamonds Inc. ("Sanatana" or the "Company") (TSX-V:STA and AIM:SAN) is pleased to announce that it has closed its previously announced private placement of 4,200,055 Units and 2,793,500 Flow-Through Shares at a price of $1.35 per Unit and $1.55 per Flow-Through Share, raising total gross proceeds of $9,999,999.25. The Units consist of one common share of the Company and one-half of one warrant, each whole warrant entitling the holder to purchase one common share of the Company at an exercise price of $1.65 for a period of 18 months following the closing. A syndicate of agents led by Genuity Capital Markets and including J.F. Mackie & Company Ltd., Haywood Securities Inc. and Raymond James Ltd. acted as agents in connection with the brokered portion of the private placement. The agents received broker warrants to purchase in aggregate 489,549 common shares of the Company at an exercise price of $1.35 for a period of 12 months following the closing. All securities issued in connection with the private placement are subject to a four month hold period ending June 6, 2008.

For additional information on the Company, please contact:

Sanatana:
Mr. Peter Miles, President and Chief Executive Officer, at 604-408-6680 or email investor@sanatanadiamonds.com.

Seymour Pierce Limited (Nominated Adviser):
Nandita Sahgal, at +44 (0) 20 7107 8000 or email
nanditasahgal@seymourpierce.com

NEITHER THE AIM MARKET OF THE LONDON STOCK EXCHANGE PLC NOR THE TSX VENTURE EXCHANGE HAS REVIEWED, NOR ACCEPTS RESPONSIBILITY FOR, THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Forward Looking Statements

Some of the statements contained in this press release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond Sanatana's control, and may include statements regarding resource estimates, potential mineralization, exploration results, completion or continuation of work programs and studies, and future plans and objectives. Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral resources, but from finding mineral deposits that though present, are insufficient in quantity and quality to be economic or to return a profit from production. There can be no assurance that such statements and information will prove to be accurate and actual results could differ materially from those suggested by any forward-looking statements and information. Sanatana disclaims any obligation to update or revise such forward looking statements and information except as required by law.