

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Sanatana Resources Inc.  
1925 – 925 West Georgia Street  
Vancouver, BC V6C 3L2

**Item 2. Date of Material Change**

June 5, 2012.

**Item 3. News Release**

News Release dated June 5, 2012 was disseminated via Marketwire on June 5, 2012 and filed on SEDAR on June 5, 2012.

**Item 4. Summary of Material Change**

The Board of Directors of Sanatana Resources Inc. (“**Sanatana**” or the “**Company**”) has approved in principle the adoption of a Shareholder Rights Plan Agreement.

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that its Board of Directors (the “**Board**”) has approved in principle the adoption of a Shareholder Rights Plan Agreement (the “**Rights Plan**”). The Rights Plan is being adopted to ensure the fair treatment of all Sanatana shareholders in connection with any possible future take-over bids for the outstanding common shares of Sanatana. The Rights Plan will provide shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan is similar to the rights plans adopted by other Canadian companies.

The Rights Plan also provides the Board with additional time to consider any take-over bid and, if applicable, to explore alternative transactions in order to maximize shareholder value. The Rights Plan is not designed to prevent take-over bids that treat Sanatana shareholders fairly. Pursuant to the terms of the Rights Plan, any bid that meets certain criteria intended to protect the interests of all shareholders are deemed to be “Permitted Bids”. A Permitted Bid must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, in addition to certain other conditions, must remain open for 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the plan will entitle shareholders, other than any shareholder or

shareholders involved in the take-over bid to purchase additional common shares of Sanatana at a significant discount to the market price of the common shares at that time. In addition, the Rights Plan includes a “Grandfathered Person” exemption whereby any shareholder who holds greater than 20% of the issued and outstanding common shares of Sanatana, as of the date of the Rights Plan, is deemed not to be making a take-over bid, nor is a Grandfathered Person making a take-over bid if they increase their pro rata interest by 1% or less of the then outstanding common shares. However, a shareholder will cease to be a Grandfathered Person if that shareholder increases its percentage interest by more than an additional 1% of the then outstanding common shares.

The Rights Plan is not being adopted in response to any formal proposal to acquire control of Sanatana.

The Rights Plan is subject to approval by the TSX Venture Exchange and will be presented for ratification by the shareholders at the Sanatana annual meeting to be held no later than November 1, 2012. If ratified by the shareholders, the Rights Plan will have a term of three years. The Rights Plan is also subject to execution of definitive agreements with the Company’s transfer agent.

The Rights Plan will be filed under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6. Reliance on subsection 7.1(2) or (3) 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, President and Chief Executive Officer, telephone: 604-408-6680.

**Item 9. Date of Report**

DATED at Vancouver, British Columbia, this 5<sup>th</sup> day of June, 2012.