Sanatana and ArcWest Sign Option Agreement for the Oweegee Dome Porphyry Copper-Gold Project, Located in BC's Golden Triangle

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Highlights:

- Sanatana has signed an agreement to option up to 80% of ArcWest's Oweegee Dome porphyry copper-gold project.
- 2021 exploration expected to commence shortly.
- Exploration program to include geological mapping, geochemical sampling, geophysics and a first phase diamond drilling program.

Vancouver, July 21, 2021 - Sanatana Resources Inc. (TSXV: STA) ("Sanatana" or the "Company") has entered into an agreement with ArcWest Exploration Ltd. ("ArcWest") (TSXV: AWX) to option up to 80% of ArcWest's Oweegee Dome porphyry copper-gold project (the "Property" or "Oweegee Dome") in British Columbia's Golden Triangle.

ArcWest's 100%-owned Oweegee Dome property is located 45 km east of Seabridge Gold's supergiant KSM-Iron Cap porphyry Cu-Au project, one of the world's largest undeveloped gold projects. Oweegee Dome is also situated 45 km east of Tudor Gold's Treaty Creek gold-silver-copper project where Tudor recently reported a measured and indicated resource estimate of 17 million oz Au and 93 million oz Ag.

Peter Miles, CEO of Sanatana commented, "Sanatana welcomes the opportunity to partner with ArcWest to explore the Oweegee Dome project, which is host to one of the largest underexplored porphyry Cu-Au systems in BC's Golden Triangle. Sanatana's chairman, Ian Smith and his team at bcMetals Corp. engineered the Red Chris porphyry Cu-Au deposit for development, prior to it being acquired by Imperial Metals Corp. Seventy percent of Red Chris was later purchased from Imperial by Newcrest Mining for US $804 million."

He continued "Sanatana is well funded and we look forward to working with the ArcWest team and expect to begin exploration shortly."

Sanatana can earn an initial 60% interest ("First Option") in the Oweegee Dome project by funding, over a four-year period, cumulative exploration expenditures of $6,600,000 and by making staged cash and share payments totaling $500,000 and 2,000,000 shares, respectively.

The 2021 exploration program at Oweegee Dome is expected to include geological mapping, geochemical sampling, geophysics and a first phase diamond drilling program. Sanatana will have a corporate presenation available shortly.

The Oweegee Property

The Oweegee Dome project is situated 45 km east of Seabridge Gold Corp's supergiant KSM-Iron Cap porphyry Cu-Au project. The 31,077 hectare Oweegee Dome project contains two large underexplored porphyry Cu-Au systems named the Delta and Skowill East Zones. Similar to Red Chris (Newcrest Mining-Imperial Metals), Saddle North (Newmont) and Galore Creek (Newmont-Teck Resources), recently completed geochronology suggests that porphyry Cu-Au systems at Oweegee Dome may be of Late Triassic age (George et al., 2021).

The Delta target is situated at the southern end of the property and comprises a highly gossanous zone of

variably altered and Cu-Au mineralized porphyritic intrusions and associated breccias that outcrop over a 20 square kilometre area. Similar to the Red Chris and Saddle North porphyry Cu-Au deposits, the Delta porphyry Cu-Au system is hosted in turbiditic marine sedimentary rocks of interpreted Stuhini Group. Historic shallow inclined diamond drilling at the Delta Zone intercepted variably Cu-Au mineralized intensely QSP/clay-pyrite altered porphyritic intrusions and breccia over a widespread area including drill hole 07-03 which returned 86.3 m of 0.10% Cu and 0.228 g/t Au. The predominant QSP/clay-pyrite alteration suggests a high level environment, with the potential to vector into higher grade Cu-Au mineralization with depth or laterally, as the system transitions to higher temperature alteration assemblages.

The northwest corner of Delta Zone hosts the best composite/panel samples collected on the property to date where eleven samples collected in 1997 averaged 0.53% Cu, 1.09 g/t Au and 4.8 g/t Ag. This zone is flanked by a strong Cu-Au soil anomaly where assays returned up to 0.1% Cu and 0.9 g/t Au in soil. This prospective area remains untested by drilling. Similar to Seabridge's nearby Iron Cap porphyry Cu-Au deposit, the Northwest zone might be overlain by post mineral volcanic rocks (i.e., the prospective Triassic-Jurassic unconformity or "Red Line"; Nelson and Kyba, 2014). This suggests that the Delta porphyry Cu-Au system may be open to the north, and much greater in size than previously thought.

The Skowill East zone is located 10 km north of Delta zone and is an additional, virtually unexplored porphyry Cu-Au system on the property. Historical reports describe the zone as a 2 km long gossan comprising intensely QSP/clay-pyrite altered porphyritic intrusions, wide spread breccia and associated copper occurrences. Skowill East is spatially associated with the contact between Stuhini Group sedimentary rocks and a succession of volcanic rocks that have recently been dated at 206 Ma (George et al, 2021). The zone is underlain by a prominent geophysical anomaly (magnetic high) and remains completely unexplored aside from basic prospecting and grab sampling.

References

Nelson, J., and Kyba, J., 2014, Structural and stratigraphic control of porphyry and related mineralization in the Treaty Glacier - KSM - Brucejack - Stewart trend of western Stikinia. In: Geological Fieldwork 2013, British Columbia Ministry of Energy and Mines, British Columbia Geological Survey Paper 2014-1, pp. 111-140.

George, S. W. M., Nelson, J. L., Alberts, D., Greig, C. J., & Gehrels, G. E. (2021). Triassic-Jurassic accretionary history and tectonic origin of Stikinia from U-Pb geochronology and Lu-Hf isotope analysis, British Columbia. Tectonics, 40, e2020TC006505. https://doi.

org/10.1029/2020TC006505

The technical information in this news release was prepared under the supervision of Buddy Doyle. Mr. Doyle is a Qualified Person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects and has reviewed and approved the technical information disclosed in this news release.

Option Terms

Sanatana may earn a 60% interest in the Property under the First Option by:

Paying to ArcWest $500,000 and 2,000,000 common shares as follows:

- $12,500 on signing of the letter agreement and an additional $12,500 on signing of the definitive agreement;
- $25,000 and 300,000 common shares on or before December 31, 2021;
- $50,000 and 400,000 common shares on or before December 31, 2022;
- $100,000 and 600,000 common shares on or before December 31, 2023; and
- $300,000 and 700,000 common shares on or before December 31, 2024;

Incurring $6,600,000 in exploration expenditures on the property as follows:

- not less than $600,000 on or before November 31, 2021;
- cumulative exploration expenditures of not less than $1,600,000 on or before December 31, 2022, including a minimum of 1,000 metres of drilling;
- cumulative exploration expenditures of not less than $3,600,000 on or before December 31, 2023, including a minimum of 2,000 metres of additional drilling;
- cumulative exploration expenditures of not less than $6,600,000 on or before December 31, 2024, including a minimum of 3,000 metres of additional drilling.

Upon completion of the First Option and receipt of the initial interest notice from Sanatana, Sanatana will have a 60-day period to elect to earn an additional 20% interest, for an aggregate 80% interest ("Second Option"), or form a Joint Venture ("JV").

The Second Option can be attained by completing and delivering to ArcWest a feasibility study on or before December 31, 2027. In order to keep the Second Option in good standing, Sanatana will have to pay to ArcWest $150,000 on each anniversary of the delivery of the initial interest notice until such time that the feasibility study has been completed and delivered to ArcWest.

Following the exercise or lapse of the Second Option, the parties will form a JV to hold and operate the properties, and each party will proportionately fund or dilute. In the event a production decision is made by the Joint Venture to place the property into production, Sanatana shall arrange project financing for the JV, the repayment of which shall be made out of cash flows from the property. Should Sanatana or ArcWest's interest be diluted to less than 10%, then that interest will convert to a 2% net smelter return royalty, 1% of which may be purchased by the other party for $5,000,000 at any time.

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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