
ALTAIR RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2016

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ALTAIR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2016 \$	March 31, 2016 \$
ASSETS			
Current assets			
Cash		43,526	133
Amounts receivable		147	27,570
GST receivable		29,320	18,367
Prepaid expenses		<u>16,653</u>	<u>-</u>
Total current assets		<u>89,646</u>	<u>46,070</u>
Non-current assets			
Exploration and evaluation assets	3	1,488,386	-
Deferred share issue costs	4(b)	<u>750</u>	<u>-</u>
Total non-current assets		<u>1,489,136</u>	<u>-</u>
TOTAL ASSETS		<u>1,578,782</u>	<u>46,070</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	294,084	163,410
Finder's fee payable	3(a)	<u>7,865</u>	<u>-</u>
TOTAL LIABILITIES		<u>301,949</u>	<u>163,410</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	4	10,834,775	9,087,022
Share-based payments reserve		2,482,259	2,236,318
Share subscriptions received		200,000	-
Deficit		<u>(12,240,201)</u>	<u>(11,440,680)</u>
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		<u>1,276,833</u>	<u>(117,340)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,578,782</u>	<u>46,070</u>

Nature of Operations, Going Concern and Name Change - see Note 1

Commitments - see Notes 3 & 8

Events after the Reporting Period - see Note 8

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 29, 2016 and are signed on its behalf by:

/s/ Robert Naso
 Robert Naso
 Director

/s/ John Huguet
 John Huguet
 Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ALTAIR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended September 30,		Six Months Ended September 30,	
		2016 \$	2015 \$	2016 \$	2015 \$
Expenses					
Accounting and administration	5(b)	16,500	4,500	35,000	4,500
Audit		-	1,460	12,840	1,460
Bank charges		857	329	1,456	407
Consulting		13,778	-	34,749	4,464
Corporate development		7,500	(15,300)	53,577	(15,300)
Depreciation		-	247	-	491
Director and officer compensation	5(a)	39,000	104,464	90,000	200,000
Investor relations		5,400	-	5,400	-
Legal		32,935	6,275	95,287	6,275
Office and rent	5(c)	3,666	(657)	16,095	(657)
Personnel	5(d)	-	-	3,925	-
Regulatory fees and transfer agent		10,605	14,298	20,693	14,298
Share-based compensation	4(d)	304,615	-	382,730	-
Shareholder costs		271	-	1,730	965
Travel, accommodation and meals		21,055	-	33,635	-
Utilities	5(c)	-	-	450	-
Vehicle rentals	5(c)	-	-	1,556	-
Website and internet		2,160	-	9,505	-
		<u>458,342</u>	<u>115,616</u>	<u>798,628</u>	<u>216,903</u>
Loss before other items		<u>(458,342)</u>	<u>(115,616)</u>	<u>(798,628)</u>	<u>(216,903)</u>
Other items					
Foreign exchange (loss) gain		<u>(740)</u>	<u>164</u>	<u>(893)</u>	<u>164</u>
		<u>(740)</u>	<u>164</u>	<u>(893)</u>	<u>164</u>
Net loss and comprehensive loss for the period		<u>(459,082)</u>	<u>(115,452)</u>	<u>(799,521)</u>	<u>(216,739)</u>
Basic and diluted loss per common share		<u>\$(0.02)</u>	<u>\$(0.03)</u>	<u>\$(0.04)</u>	<u>\$(0.06)</u>
Weighted average number of common shares outstanding		<u>23,348,161</u>	<u>4,364,073</u>	<u>20,548,978</u>	<u>3,450,227</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ALTAIR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

Six Months Ended September 30, 2016						
	Share Capital		Share-based Payments Reserve \$	Share Subscriptions Received \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$				
Balance at March 31, 2016	16,896,379	9,087,022	2,236,318	-	(11,440,680)	(117,340)
Common shares issued for:						
Private placement	1,360,000	272,000	-	-	-	272,000
Properties	2,300,000	981,000	-	-	-	981,000
Finders' fees	234,217	96,174	-	-	-	96,174
Exercise of share options	1,600,000	112,000	-	-	-	112,000
Exercise of warrants	2,170,000	151,900	-	-	-	151,900
Share issue costs	-	(2,110)	-	-	-	(2,110)
Share subscription received	-	-	-	200,000	-	200,000
Share-based compensation	-	-	382,730	-	-	382,730
Transfer on exercise of share options	-	136,789	(136,789)	-	-	-
Net loss for the period	-	-	-	-	(799,521)	(799,521)
Balance at September 30, 2016	24,560,596	10,834,775	2,482,259	200,000	(12,240,201)	1,276,833

Six Months Ended September 30, 2015						
	Share Capital		Share-based Payments Reserve \$	Share Subscriptions Received \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$				
Balance at March 31, 2015	2,536,379	8,796,745	1,728,916	-	(10,642,722)	(117,061)
Common shares issued for:						
Private placement	7,200,000	360,000	-	-	-	360,000
Finders' fees	720,000	36,000	-	-	-	36,000
Share issue costs	-	(274,923)	238,923	-	-	(36,000)
Share subscription received	-	-	-	305,000	-	305,000
Net loss for the period	-	-	-	-	(216,739)	(216,739)
Balance at September 30, 2015	10,456,379	8,917,822	1,967,839	305,000	(10,859,461)	331,200

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ALTAIR RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Six Months Ended	
	September 30,	
	2016	2015
	\$	\$
Operating activities		
Net loss for the period	(799,521)	(216,739)
Adjustments for:		
Depreciation	-	491
Share-based compensation	382,730	-
Changes in non-cash working capital items:		
Amounts receivable	27,423	(11,684)
GST receivable	(10,953)	-
Prepaid expenses	(16,653)	(111,000)
Accounts payable and accrued liabilities	124,874	(24,223)
Net cash used in operating activities	<u>(292,100)</u>	<u>(363,155)</u>
Investing activity		
Exploration and evaluation assets	(397,547)	-
Net cash used in investing activity	<u>(397,547)</u>	<u>-</u>
Financing activities		
Issuance of common shares	535,900	360,000
Share subscriptions received	200,000	305,000
Share issue costs	(2,860)	-
Net cash provided by financing activities	<u>733,040</u>	<u>665,000</u>
Net change in cash	43,393	301,845
Cash at beginning of period	<u>133</u>	<u>3,305</u>
Cash at end of period	<u>43,526</u>	<u>305,150</u>

Supplemental cash flow information - Note 7

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ALTAIR RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations, Going Concern and Name Change

Altair Resources Inc. (the “Company”) was incorporated under the provisions of the Company Act (British Columbia) on November 17, 2005. On June 3, 2016 the Company changed its name from Altair Gold Inc. to Altair Resources Inc. The Company is a publicly listed company with its common shares listed on the TSX Venture Exchange (“TSXV”) under the symbol “AVX” and the Frankfurt Exchange under the symbol “90A”. The Company’s head office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties. The Company’s ability to continue as a going concern and the recoverability of the amounts capitalized as exploration and evaluation assets are dependent upon the ability of the Company to raise additional financing in order to complete the acquisition, exploration and development of its mineral property interests, the discovery of economically recoverable reserves and obtaining future profitable production or proceeds from disposition of the Company’s mineral properties. As a mineral company in the exploration stage the ability of the Company to complete the acquisition, exploration and development of its mineral property interests will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

The Company has a history of losses with no operating revenue and, as at September 30, 2016, has an accumulated deficit of \$12,240,201 and a working capital deficit of \$212,303. The Company will be required to raise additional capital in order to complete the acquisitions of the mineral property interests referred to in Notes 3 and 8, conduct exploration and development activities on its current and future mineral property interests and maintain operations. These conditions raise significant doubt about the Company’s ability to continue as a going concern. There can be no assurances that the Company will be able to obtain additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing the Company will be required to curtail operations, exploration and development activities and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

These condensed consolidated interim financial statements do not reflect any adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

See also Note 8.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s consolidated financial statements for the year ended March 31, 2016.

Consolidation and Basis of Presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Minera Altair, S.A. de C.V. (Mexico) (inactive). All intercompany amounts and transactions have been eliminated on consolidation.

The Company’s consolidated financial statements have been prepared on the historical cost basis.

ALTAIR RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016
(Unaudited - Expressed in Canadian Dollars)

3. Exploration and Evaluation Assets

Property	September 30, 2016			March 31, 2016		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Invictus	327,540	13,672	341,212	-	-	-
White Hills	676,020	-	676,020	-	-	-
Kino	148,600	-	148,600	-	-	-
Mathers	196,914	-	196,914	-	-	-
Tilia	125,640	-	125,640	-	-	-
	<u>1,474,714</u>	<u>13,672</u>	<u>1,488,386</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Invictus \$	White Hills \$	Kino \$	Mathers \$	Tilia \$	Total \$
Balance at March 31, 2015 and 2016	-	-	-	-	-	-
Exploration costs						
Assay	1,171	-	-	-	-	1,171
Consulting	6,096	-	-	-	-	6,096
Trenching	5,800	-	-	-	-	5,800
Vehicle rentals	605	-	-	-	-	605
	<u>13,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,672</u>
Acquisition costs						
Finders' fees	15,624	56,020	12,600	16,914	10,640	111,798
Cash payments	311,916	10,000	10,000	30,000	20,000	381,916
Common share issuances	-	610,000	126,000	150,000	95,000	981,000
	<u>327,540</u>	<u>676,020</u>	<u>148,600</u>	<u>196,914</u>	<u>125,640</u>	<u>1,474,714</u>
Balance at September 30, 2016	<u>341,212</u>	<u>676,020</u>	<u>148,600</u>	<u>196,914</u>	<u>125,640</u>	<u>1,488,386</u>

(a) ***Invictus Project, Kosovo***

During fiscal 2016 the Company signed a binding option agreement, as amended (collectively the "Cerpulje Agreement"), to acquire a 90% interest in the common shares of A.G.J.A SH.P.K. ("AGJA"), a private company registered in the Republic of Kosovo. AGJA holds an exploration license in the Republic of Kosovo (the "Invictus Project"). Under the terms of the Cerpulje Agreement the Company has agreed to pay a total of US \$300,000, due as follows:

<u>Due Date</u>	<u>US \$</u>
May 11, 2016	120,000 (paid)
September 11, 2016	120,000 (paid)
February 11, 2017	<u>60,000</u>
	<u>300,000</u>

Closing of the Cerpulje Agreement remains subject to final acceptance of the TSXV.

The Company has also agreed to pay a finder's fee of 5% of the payments made under the Cerpulje Agreement to Dr. Aylin Cecen Aksu, who, subsequent to the Cerpulje Agreement, was appointed as a director of the Company. During the six months ended September 30, 2016 the Company had recorded a total of \$15,624 (US \$12,000) finder's fee. As at September 30, 2016, \$7,865 (US \$6,000) remained unpaid.

ALTAIR RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016
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3. Exploration and Evaluation Assets (continued)

(b) ***White Hills Lithium Property, Quebec***

On May 4, 2016 the Company signed a purchase agreement to acquire a mineral resource property consisting of 77 contiguous mineral claims (the “White Hills Lithium Property”) located in the Abitibi area of the province of Quebec. On May 26, 2016 the Company completed the purchase by paying \$10,000 cash and issued 1,000,000 common shares at a fair value of \$610,000. The Company also paid a finder’s fee by issuance of 91,837 common shares at a fair value of \$56,020.

(c) ***Kino Lithium Property, Quebec***

On May 17, 2016 the Company signed a purchase agreement to acquire 40 contiguous mineral claims (the “Kino Lithium Property”) located in the Abitibi area of the province of Quebec. On June 9, 2016 the Company completed the purchase by paying \$10,000 cash and issued 300,000 common shares at a fair value of \$126,000. The Company also paid a finder’s fee by issuance of 30,000 common shares at a fair value of \$12,600.

(d) ***Mathers Lithium Property, Quebec***

On June 7, 2016 the Company signed a purchase agreement to acquire 213 contiguous mineral claims (the “Mathers Lithium Property”) located in the Abitibi area of the province of Quebec. On June 27, 2016 the Company completed the purchase by paying \$30,000 cash and issued 500,000 common shares at a fair value of \$150,000. The Company also paid a finder’s fee by issuance of 56,380 common shares at a fair value of \$16,914.

(e) ***Tilia Lithium Property, Quebec***

On June 20, 2016 the Company signed a purchase agreement to acquire 38 mineral claims (the “Tilia Lithium Property”) located in the Abitibi area of the province of Quebec. On July 15, 2016 the Company completed the purchase by paying \$20,000 cash and issued 500,000 common shares at a fair value of \$95,000. The Company also issued 56,000 common shares as a finder’s fee at a fair value of \$10,640.

(f) See also Note 8.

4. Share Capital

(a) ***Authorized Share Capital***

The Company’s authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Six Months Ended September 30, 2016

(i) During the six months ended September 30, 2016 the Company completed a non-brokered private placement of 1,360,000 units, at a price of \$0.20 per unit for proceeds of \$272,000. Each unit consisted of one common share of the Company and one common share purchase warrant entitling the holder to purchase an additional common share at an exercise price of \$0.25 per share for a period of three years after the closing.

The Company incurred \$2,110 for costs associated with the private placement.

ALTAIR RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016
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4. Share Capital (continued)

- (ii) The Company announced a non-brokered private placement financing of up to 4,500,000 units at \$0.20 per unit, for gross proceeds of up to \$900,000. Each unit will consist of one common share of the Company and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase an additional common share of the Company at an exercise price of \$0.25 per share for a period of three years after the closing.

As at September 30, 2016 the Company had received \$200,000 on account of the private placement and incurred \$750 share issue costs. Subsequent to September 30, 2016 the Company has received a further \$300,000 on account of the private placement.

Fiscal 2016

During fiscal 2016 the Company completed a non-brokered private placement of 13,300,000 units of the Company at \$0.05 per unit for gross proceeds of \$665,000, with each unit consisting of one common share and one share purchase warrant entitling the holder to purchase an additional common share at a price of \$0.07 for a period of five years from closing. The private placement was completed in two tranches as follows:

- (i) on September 4, 2015 the Company completed the first tranche and issued 7,200,000 common shares and 7,200,000 warrants entitling the holder to purchase an additional common share at a price of \$0.07 expiring September 4, 2020.

The Company also issued to a finder 720,000 units, each unit consisting of one common share and one share purchase warrant entitling the holder to purchase an additional common share at an exercise price of \$0.07 expiring September 4, 2017. The fair value of the underlying warrants to the finder's units has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.44%; expected volatility of 177.63%; an expected life of two years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The value assigned to the underlying warrants to the finder's units was \$33,495.

- (ii) on October 9, 2015 the Company completed the final tranche and issued 6,100,000 common shares and 6,100,000 warrants entitling the holder to purchase an additional common share at a price of \$0.07 expiring October 8, 2020. The former CEO of the Company and a family member purchased 2,700,000 units for \$135,000.

The Company also issued to a finder 340,000 units, each unit consisting of one common share and one share purchase warrant entitling the holder to purchase an additional common share at an exercise price of \$0.07, expiring October 8, 2017. The fair value of the underlying warrants to the finder's units has been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.56%; expected volatility of 177.75%; an expected life of two years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The value assigned to the underlying warrants to the finder's units was \$15,830.

The Company incurred \$4,110 for costs associated with the private placement.

ALTAIR RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016
(Unaudited - Expressed in Canadian Dollars)

4. Share Capital (continued)

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at September 30, 2016 and 2015 and the changes for the six months ended on those dates, is as follows:

	2016		2015	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	14,976,000	0.13	616,000	1.50
Granted	1,360,000	0.25	-	-
Exercised	(2,170,000)	0.07	-	-
Balance, end of period	14,166,000	0.15	616,000	1.50

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at September 30, 2016:

Number	Exercise Price \$	Expiry Date
586,667	1.50	April 30, 2019
13,333	1.50	June 30, 2019
16,000	1.50	July 7, 2019
1,360,000	0.25	August 16, 2019
5,750,000	0.07	September 9, 2020
5,100,000	0.07	October 8, 2020
1,340,000	0.07	October 13, 2020
14,166,000		

See also Note 8(d).

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years. The number of common shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding common shares.

During the six months ended September 30, 2016 the Company granted share options to purchase 2,200,000 (2015 - nil) common shares and recorded compensation expense of \$382,730. The fair value of share options granted during the six months ended September 30, 2016 was estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 0.52% - 0.80%; estimated volatility of 169.49% - 198.51%; expected life of 3 years - 4 years; expected dividend yield of 0%; estimated forfeiture rate of 0%. The weighted average fair value of all share options granted during the six months ended September 30, 2016 was \$0.19 per option.

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(Unaudited - Expressed in Canadian Dollars)

4. Share Capital (continued)

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at September 30, 2016 and 2015 and the changes for the six months ended on those dates, is as follows:

	2016		2015	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,600,000	0.07	172,333	1.50
Granted	2,200,000	0.22	-	-
Exercised	<u>(1,600,000)</u>	0.07	<u>-</u>	-
Balance, end of period	<u>2,200,000</u>	0.22	<u>172,333</u>	1.50

The following table summarizes information about the share options outstanding and exercisable at September 30, 2016:

Number	Exercise Price \$	Expiry Date
2,000,000	0.20	July 15, 2019
<u>200,000</u>	0.40	June 7, 2020
<u>2,200,000</u>		

5. Related Party Disclosures

Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(i) During the six months ended September 30, 2016 and 2015 the Company incurred the following compensation amounts to its current and former key management personnel:

	2016 \$	2015 \$
Mr. Robert Naso (President, CEO, interim CFO and director)	40,000	-
Mr. Robert Naso - living allowances	2,625	-
Mr. Zahir Dhanani (former CEO and director)	5,000	200,000
Mr. John Huguet (Chairman of the Board and director)	25,000	-
Mr. Nick DeMare (Corporate Secretary)	<u>20,000</u>	<u>-</u>
	<u>92,625</u>	<u>200,000</u>

As at September 30, 2016, \$129,228 (March 31, 2016 - \$87,980) remained unpaid and has been included in accounts payable and accrued liabilities.

ALTAIR RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016
(Unaudited - Expressed in Canadian Dollars)

5. Related Party Disclosures (continued)

- (ii) During the six months ended September 30, 2016 Mr. Dhanani advanced funds totalling \$310,000 which the Company subsequently repaid. As at September 30, 2016 there were no balances outstanding.
- (iii) See also Note 3(a).
- (b) During the six months ended September 30, 2016 the Company incurred a total of \$35,000 (2015 - \$nil) to Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel. As at September 30, 2016, \$7,000 (December 31, 2015 - \$nil) remained unpaid and has been included in accounts payable and accrued liabilities.
- (c) During the six months ended September 30, 2016 the Company incurred \$17,811 (2015 - \$nil) for shared personnel, office and administration costs incurred in Albania with Arian Resources Corp. ("Arian") a public company with common current and former directors and officers. These amounts were reimbursed to Arian by the President of the Company. As at September 30, 2016 \$7,386 (March 31, 2016 - \$19,575) remained outstanding to the President and has been included in accounts payable and accrued liabilities.

6. Financial Risk Management

Fair Value of Financial Instruments

As at September 30, 2016, the Company's financial instruments consist of cash and cash equivalents, receivables, and accounts payable and accrued liabilities. Cash and cash equivalents and receivables are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities are classified as financial liabilities and are measured at amortized cost. The fair values of these financial instruments approximate their carrying values because of their short term nature.

Financial Instruments Risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances held at the banks in Canada, and receivables. The deposits were with Schedule 1 banks or equivalent, with the majority of its cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The Company did not have any allowance for doubtful accounts at September 30, 2016 or 2015 nor has it incurred any write-offs during the six months ended September 30, 2016 or 2015.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company manages liquidity risk through the management of its capital structure.

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. As at September 30, 2016 the Company had a cash balance of \$43,526 to settle current liabilities of \$301,949 which mainly consist of accounts payable that are considered short term and settled within a year.

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6. Financial Risk Management (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's cash and cash equivalents attract interest at floating rates and have maturities of 90 days or less.

(b) Foreign Currency Risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. The Company's functional and reporting currency is the Canadian dollar. The Company holds cash in Canadian and United States currencies in line with forecast expenditures.

The Company has determined that a 10% increase or decrease in the US dollar relative to the Canadian dollar on financial assets and liabilities, as at September 30, 2016, including cash and cash equivalents denominated in US, would result in an insignificant change to the comprehensive loss for the six months September 30, 2016.

(c) Commodity Price Risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company's risk relates primarily to the expected output to be produced at its exploration and evaluation assets described in Note 3(a) of these condensed consolidated interim financial statements, which production is not expected in the near future.

Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The properties in which the Company currently has an interest are in the exploration stage, as such, the Company does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

There were no changes in the Company's management of capital during the six months ended September 30, 2016.

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7. Supplemental Cash Flow Information

During the six months ended September 30, 2016 and 2015 non-cash activities were conducted by the Company as follows:

	2016 \$	2015 \$
Operating activity		
Accounts payable and accrued liabilities	<u>13,665</u>	<u>-</u>
Investing activities		
Exploration and evaluation assets	(13,665)	-
Common shares issued for mineral property interests	<u>(1,077,174)</u>	<u>-</u>
	<u>(1,090,839)</u>	<u>-</u>
Financing activity		
Common shares issued for mineral property interests	<u>1,077,174</u>	<u>-</u>

8. Events after the Reporting Period

(a) On May 24, 2016, as amended, the Company signed an agreement (the “Lejin Agreement”) to acquire all of the issued and outstanding common shares of Epic Mining Corp. (“Epic”) Under the terms of the Lejin Agreement the Company has agreed to make cash payments totalling \$50,000, reimbursement of \$10,125 for license payments made and issue 500,000 common shares of the Company. The Company also agreed to pay a finder’s fee by issuing 54,905 common shares of the Company. Closing of the Lejin Agreement is subject to a number of conditions precedent, including completion of Company due diligence, execution of a definitive agreement, completion of a NI 43-101 report and approval of the TSXV. On October 5, 2016 the Company received TSXV approval.

Epic owns 99% of Panamericana SAC which holds 100% of the rights, title and interest in the Lejin Property located in Peru.

(b) On June 23, 2016 the Company announced that it had agreed (the “East Authier Understanding”) to acquire the East Authier Lithium Property in Quebec. The Company has agreed to make payments totalling \$460,000 of which \$10,000 must be paid in cash and the balance may be paid in cash or common shares of the Company or a combination of both, on or before 18 months after TSXV approval. The Company also agreed to pay a finder’s fee to be determined upon signing of a definitive agreement. Closing of the East Authier Understanding is subject to a number of conditions precedent, including completion of Company due diligence, execution of a definitive agreement and approval of the TSXV.

(c) On October 17, 2016 the Company signed an agreement (the “Virium Lithium Agreement”) to acquire the Virium Lithium Property in Quebec. On November 23, 2016 the Company made a \$10,000 cash payment and issued 1,400,000 common shares of the Company to the vendor. A further \$10,000 payment is due within 30 days. The Company also issued 151,000 common shares as a finder’s fee.

(d) Subsequent to September 30, 2016 the Company issued 190,000 common shares on the exercise of warrants for proceeds of \$13,300.

(e) See also 4(b)(ii).