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**ALTAIR RESOURCES INC.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
SEPTEMBER 30, 2017

*(Unaudited - Expressed in Canadian Dollars)*

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**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, 2017 \$	March 31, 2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1,287,735	341,323
Amounts receivable		2,976	4,233
GST receivable		4,516	10,250
Prepaid expenses		<u>21,139</u>	<u>18,633</u>
<b>Total current assets</b>		<u>1,316,366</u>	<u>374,439</u>
<b>Non-current assets</b>			
Property, plant and equipment	4	19,092	-
Exploration and evaluation assets	5	<u>3,272,084</u>	<u>2,253,515</u>
<b>Total non-current assets</b>		<u>3,291,176</u>	<u>2,253,515</u>
<b>TOTAL ASSETS</b>		<u>4,607,542</u>	<u>2,627,954</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	311,733	546,161
Property purchase obligation	5(ii)	<u>62,400</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>374,133</u>	<u>546,161</u>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	15,179,953	12,189,341
Share subscriptions received		-	250,000
Share-based payments reserve		3,567,378	2,754,418
Deficit		<u>(14,513,922)</u>	<u>(13,111,966)</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<u>4,233,409</u>	<u>2,081,793</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>4,607,542</u>	<u>2,627,954</u>

**Nature of Operations and Going Concern** - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 28, 2017 and are signed on its behalf by:

/s/ Roy Shipes  
 Roy Shipes  
 Director

/s/ Bruce Reid  
 Bruce Reid  
 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,	
		2017 \$	2016 \$	2017 \$	2016 \$
<b>Expenses</b>					
Accounting and administration	7(b)	22,752	16,500	50,560	35,000
Audit		3,410	-	20,910	12,840
Bank charges		922	857	2,075	1,456
Consulting	7(a)(i)	9,436	13,778	39,167	34,749
Corporate development		19,343	7,500	19,343	53,577
Depreciation		1,245	-	1,579	-
Director and officer compensation	7(a)	59,000	39,000	122,000	90,000
Due diligence		121,613	-	163,944	-
Investor relations		-	5,400	9,000	5,400
Legal		33,322	32,935	81,653	95,287
Office and miscellaneous		17,924	3,666	40,051	11,745
Personnel		25,514	-	112,949	3,925
Regulatory and transfer agent fees		6,283	10,605	12,340	20,693
Rent		13,355	-	32,788	4,350
Share-based compensation	6(d)	-	304,615	503,032	382,730
Shareholder costs		500	271	2,634	1,730
Travel, accommodation and meals		75,451	21,055	173,214	33,635
Utilities		732	-	3,000	450
Vehicle rentals		-	-	-	1,556
Website and internet		2,820	2,160	13,785	9,505
		<u>413,622</u>	<u>458,342</u>	<u>1,404,024</u>	<u>798,628</u>
<b>Loss before other items</b>		<u>(413,622)</u>	<u>(458,342)</u>	<u>(1,404,024)</u>	<u>(798,628)</u>
<b>Other items</b>					
Interest and miscellaneous income		19,507	-	20,694	-
Foreign exchange gain (loss)		<u>(15,285)</u>	<u>(740)</u>	<u>(18,626)</u>	<u>(893)</u>
		<u>4,222</u>	<u>(740)</u>	<u>2,068</u>	<u>(893)</u>
<b>Net loss and comprehensive loss for the period</b>		<u>(409,400)</u>	<u>(459,082)</u>	<u>(1,401,956)</u>	<u>(799,521)</u>
<b>Basic and diluted loss per common share</b>		<u>\$(0.01)</u>	<u>\$(0.02)</u>	<u>\$(0.03)</u>	<u>\$(0.04)</u>
<b>Weighted average number of common shares outstanding</b>		<u>49,861,501</u>	<u>23,348,161</u>	<u>48,138,441</u>	<u>20,548,978</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)*

<b>Six Months Ended September 30, 2017</b>						
<b>Share Capital</b>						
	Number of Shares	Amount \$	Share Subscriptions Received \$	Share-based Payments Reserve \$	Deficit \$	Total Equity \$
<b>Balance at March 31, 2017</b>	32,081,501	12,189,341	250,000	2,754,418	(13,111,966)	2,081,793
Common shares issued for:						
Private placement	17,500,000	3,500,000	(250,000)	-	-	3,250,000
Finders' fees	280,000	56,000	-	-	-	56,000
Share issue costs	-	(565,388)	-	309,928	-	(255,460)
Share-based compensation	-	-	-	503,032	-	503,032
Net loss for the period	-	-	-	-	(1,401,956)	(1,401,956)
<b>Balance at September 30, 2017</b>	<b>49,861,501</b>	<b>15,179,953</b>	<b>-</b>	<b>3,567,378</b>	<b>(14,513,922)</b>	<b>4,233,409</b>
<b>Six Months Ended September 30, 2016</b>						
<b>Share Capital</b>						
	Number of Shares	Amount \$	Share Subscriptions Received \$	Share-based Payments Reserve \$	Deficit \$	Total Equity \$
<b>Balance at March 31, 2016</b>	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)
<b>Balance at September 30, 2016</b>	<b>24,560,596</b>	<b>10,834,775</b>	<b>200,000</b>	<b>2,482,259</b>	<b>(12,240,201)</b>	<b>1,276,833</b>

*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,	
	2017 \$	2016 \$
<b>Operating activities</b>		
Net loss for the period	(1,401,956)	(799,521)
Adjustments for:		
Depreciation	1,579	-
Share-based compensation	503,032	382,730
Changes in non-cash working capital items:		
Amounts receivable	1,257	27,423
GST receivable	5,734	(10,953)
Prepaid expenses	(2,506)	(16,653)
Accounts payable and accrued liabilities	(229,590)	124,874
<b>Net cash used in operating activities</b>	<u>(1,122,450)</u>	<u>(292,100)</u>
<b>Investing activities</b>		
Exploration and evaluation assets	(961,007)	(397,547)
Purchase of equipment	(20,671)	-
<b>Net cash used in investing activities</b>	<u>(981,678)</u>	<u>(397,547)</u>
<b>Financing activities</b>		
Issuance of common shares	3,250,000	535,900
Share subscriptions received	-	200,000
Share issue costs	(199,460)	(2,860)
<b>Net cash provided by financing activities</b>	<u>3,050,540</u>	<u>733,040</u>
<b>Net change in cash</b>	946,412	43,393
<b>Cash at beginning of period</b>	<u>341,323</u>	<u>133</u>
<b>Cash at end of period</b>	<u>1,287,735</u>	<u>43,526</u>

**Supplemental cash flow information - Note 9**

*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, 2017**  
*(Unaudited - Expressed in Canadian Dollars)*

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**1. Nature of Operations and Going Concern**

Altair Resources Inc. (the “Company”) was incorporated under the provisions of the Company Act (British Columbia) on November 17, 2005. 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, 2017, has an accumulated deficit of \$14,513,922 and working capital of \$942,233. The Company will be required to raise additional capital in order to complete the acquisitions of the property, plant and equipment and mineral property interests referred to in Note 5, conduct exploration and development activities on its 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.

**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, 2017, 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, 2017.

***Basis of Measurement***

The Company’s consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

**ALTAIR RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017**  
*(Unaudited - Expressed in Canadian Dollars)*

**3. Subsidiaries**

In addition to the Company, these condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all entities over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases. As at September 30, 2017 the subsidiaries of the Company were:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Epic Mining Corp. ("Epic")	Canada	100%
Minera Panamericana S.A.C ("Panamericana")	Peru	100%
Minera Altair, S.A. de C.V. (inactive)	Mexico	100%
A.G.J.A. SH.P.K. ("AGJA")	Kosovo	90%
Altair Mining Inc.	USA	100%

**4. Property, Plant and Equipment**

	<u>Office Furniture and Equipment \$</u>	<u>Vehicle \$</u>	<u>Total \$</u>
<b>Cost:</b>			
Balance at March 31, 2017	-	-	-
Additions	7,306	13,365	20,671
Balance at September 30, 2017	<u>7,306</u>	<u>13,365</u>	<u>20,671</u>
<b>Accumulated Depreciation:</b>			
Balance at March 31, 2017	-	-	-
Depreciation	243	1,336	1,579
Balance at September 30, 2017	<u>243</u>	<u>1,336</u>	<u>1,579</u>
<b>Carrying Value:</b>			
Balance at March 31, 2017	-	-	-
Balance at September 30, 2017	<u>7,063</u>	<u>12,029</u>	<u>19,092</u>

See also Note 5.

**5. Exploration and Evaluation Assets**

<u>Property</u>	<u>September 30, 2017</u>			<u>March 31, 2017</u>		
	<u>Acquisition Costs \$</u>	<u>Deferred Exploration Costs \$</u>	<u>Total \$</u>	<u>Acquisition Costs \$</u>	<u>Deferred Exploration Costs \$</u>	<u>Total \$</u>
Pioche Project	696,455	83,834	780,289	80,328	-	80,328
Cerpulje Project	420,299	458,758	879,057	410,133	161,338	571,471
Quebec Properties	1,438,599	-	1,438,599	1,438,599	-	1,438,599
Lejin Property	174,139	-	174,139	163,117	-	163,117
	<u>2,729,492</u>	<u>542,592</u>	<u>3,272,084</u>	<u>2,092,177</u>	<u>161,338</u>	<u>2,253,515</u>



**ALTAIR RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017**  
*(Unaudited - Expressed in Canadian Dollars)*

**5. Exploration and Evaluation Assets**

	Pioche Project \$	Cerpulje Project \$	Quebec Properties \$	Lejin Property \$	Total \$
<b>Balance at March 31, 2016</b>	-	-	-	-	-
<b>Exploration costs</b>					
Assay	-	1,245	-	-	1,245
Consulting	-	20,433	-	-	20,433
Drilling advance	-	21,590	-	-	21,590
Field supplies	-	4,712	-	-	4,712
Geophysics	-	107,558	-	-	107,558
Trenching	-	5,800	-	-	5,800
	-	161,338	-	-	161,338
<b>Acquisition costs</b>					
Cash payments	80,328	390,576	90,000	50,000	610,904
Common share issuances	-	-	1,226,000	92,500	1,318,500
Finders' fees	-	19,557	122,599	10,157	152,313
Concession payments	-	-	-	10,460	10,460
	80,328	410,133	1,438,599	163,117	2,092,177
<b>Balance at March 31, 2017</b>	80,328	571,471	1,438,599	163,117	2,253,515
<b>Exploration costs</b>					
Assay	-	25,698	-	-	25,698
Consulting	83,834	29,600	-	-	113,434
Drilling	-	123,719	-	-	123,719
Field supplies	-	2,623	-	-	2,623
Geological	-	109,284	-	-	109,284
Miscellaneous	-	5,982	-	-	5,982
Travel	-	514	-	-	514
	83,834	297,420	-	-	381,254
<b>Acquisition costs</b>					
Cash payments	574,427	-	-	-	574,427
Concession payments	41,700	10,166	-	11,022	62,888
	616,127	10,166	-	11,022	637,315
<b>Balance at September 30, 2017</b>	780,289	879,057	1,438,599	174,139	3,272,084

(a) ***Pioche Project, Nevada***

The Company has entered into numerous agreements under which it has acquired or will acquire a significant position in mineral leases, plant facilities and former operating mines in the Pioche, Caselton and Comet Mining Districts of Lincoln County, Nevada (the "Pioche Project"). The agreements comprising the Pioche Project are as follows:

- (i) On April 4, 2017, as amended, the Company entered into an asset purchase agreement (the "Asset Purchase Agreement") to acquire the assets comprising the Pan American Zinc Mine and the Caselton Concentrator (collectively the "Pioche Project") located in the Comet and Caselton Mining Districts of Lincoln County near Pioche, Nevada, USA. The Company has agreed to an amended purchase price of US \$1,425,000, of which \$221,965 (US \$165,000) was paid as at September 30, 2017. The balance owing is payable in staged payments, with a payment of US \$60,000 due on December 1, 2017 and, thereafter, the remaining balance of \$1,200,000 to be paid in quarterly installments of \$100,000 beginning January 1, 2018 and bearing simple interest at 5% per annum until paid in full.

**ALTAIR RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017**  
*(Unaudited - Expressed in Canadian Dollars)*

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**5. Exploration and Evaluation Assets (continued)**

The Company has agreed to assign a mortgage over the assets as security over the remaining balance. In the event payments are not made when they are due, and such default is not cured, the Asset Purchase Agreement may be terminated by the vendor and the Company will transfer the assets back to the vendor.

Closing of the Assets Purchase Agreement is scheduled to occur upon finalization of all documentation for the transfer.

- (ii) On May 15, 2017 the Company entered into an assignment and assumption agreement (the "Prince Assignment") of the lease and option to purchase agreement (the "Prince Option") over the Prince Mine, located in Pioche Mining District, Lincoln County, Nevada, USA. The Prince Option, dated November 6, 2010, was originally held by International Silver Inc. ("ISI"), a private Arizona corporation and Prince Mine LLC ("Prince"), a private Nevada corporation. Under the Prince Option, ISI leased the Prince Mine at a cost of US \$50,000 per year with an option to purchase the mine for US \$2,750,000 (with previous lease payments being applied to the purchase price). Under the terms of the Prince Assignment: (i) the Prince Option will be assigned to the Company; (ii) the Company will pay Prince US \$200,000 (US \$150,000 paid as at September 30, 2017), representing unpaid lease payments, by November 2017 and complete reclamation work, estimated at US \$20,000; and (iii) the Prince Option will be extended to November 1, 2022. Once assigned, the Prince Option will continue in effect with annual lease payments of US \$50,000 with an option to purchase the Prince Mine at any time for US \$2,750,000, less previous lease payments.

The Prince Mine is comprised of 12 patented lode claims.

The Company's President and CEO is a director, officer and shareholder of ISI.

- (iii) On June 15, 2017 the Company signed an agreement to purchase five mining claims in Comet Mining District in Lincoln County, Nevada, USA, for a purchase price of US \$50,000 which was paid on June 21, 2017.
- (iv) On August 12, 2017 the Company entered into an asset purchase agreement (the "Atlas Asset Purchase Agreement") with Atlas Precious Metals Inc. ("Atlas") to acquire the assets comprising a solvent extraction plant (the "S/X Plant"). Pursuant to the terms of the Atlas Asset Purchase Agreement the Company has agreed to acquire the S/X Plant in consideration for the Company making payments of: (i) US \$150,000 cash (US \$80,000 paid as at September 30, 2007) and (ii) US \$270,000 payable by issuance of the Company's common shares (the "Consideration Shares") at a deemed value of \$0.40 per Consideration Share.

Closing of the Atlas Asset Purchase Agreement is subject to the approval of the TSXV.

The Company's President and CEO, is a director, officer and shareholder of Atlas.

(b) ***Cerpulje Project, Kosovo***

During fiscal 2016 the Company signed an option agreement, as amended (the "Cerpulje Agreement"), to acquire a 90% interest in the common shares of AGJA, a private company registered in the Republic of Kosovo. During fiscal 2017 the Company completed the purchase of the 90% interest in AGJA by paying a total of \$390,576 (US \$300,000). AGJA holds an exploration license (the "Cerpulje Project") in the Republic of Kosovo.

The Company also paid a finder's fee of \$19,557 (US \$15,000).

**ALTAIR RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017**  
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**5. Exploration and Evaluation Assets (continued)**

(c) ***Quebec Properties***

During fiscal 2017 the Company acquired mineral resource properties located in the Abitibi area of the province of Quebec, as follows:

(i) ***White Hills Property***

On May 4, 2016 the Company signed a purchase agreement to acquire 77 contiguous mineral claims (the "White Hills Property"). 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.

(ii) ***Kino Property, Quebec***

On May 17, 2016 the Company signed a purchase agreement to acquire 40 contiguous mineral claims (the "Kino Property"). 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.

(iii) ***Mathers Property, Quebec***

On June 7, 2016 the Company signed a purchase agreement to acquire 213 contiguous mineral claims (the "Mathers Property"). 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.

(iv) ***Tilia Property, Quebec***

On June 20, 2016 the Company signed a purchase agreement to acquire 38 mineral claims (the "Tilia Property"). 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.

(v) ***Virium Property, Quebec***

On October 17, 2016 the Company signed a purchase agreement to acquire 40 mineral claims (the "Virium Property"). On November 23, 2016 the Company made an initial \$10,000 cash payment, issued 1,400,000 common shares of the Company at a fair value of \$245,000 and also issued 151,000 common shares as a finder's fee at a fair value of \$26,425. On December 22, 2016 the Company completed the purchase by making the final \$10,000 cash payment.

(d) ***Lejin Property, Peru***

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. On October 5, 2016 the Company received TSXV approval and the Company subsequently completed the acquisition by paying \$50,000 cash and issuing 500,000 common shares of the Company at a fair value of \$92,500. The Company also paid a finder's fee by issuing 54,905 common shares at a fair value of \$10,157.

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

**ALTAIR RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2017**  
*(Unaudited - Expressed in Canadian Dollars)*

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**6. 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, 2017*

During the six months ended September 30, 2017 the Company completed a non-brokered private placement of 17,500,000 units at \$0.20 per unit for \$3,500,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at an exercise price of \$0.26 per share for a period of three years after the closing. As at March 31, 2017 the Company had received \$250,000 on account of the private placement.

The Company paid finders' fees of \$180,180 cash, issued 280,000 common shares at an ascribed value of \$56,000 and issued 900,900 warrants to finders ("finder's warrants") in connection with this offering. The finder's warrants have the same terms as the private placement warrants. The fair value of the finder's warrants has been estimated with a fair value of \$309,928 using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.82%; expected volatility of 172.16%; an expected life of three years; a dividend yield of 0%; and an expected forfeiture rate of 0%.

Officers and directors of the Company purchased 750,000 units for \$150,000.

The Company incurred \$19,280 for costs associated with the private placement.

*Fiscal 2017*

During fiscal 2017 the Company completed non-brokered private placements as follows:

- (i) 4,500,000 units at \$0.20 per unit for \$900,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles 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. The Company also issued 425,000 common shares at an ascribed value of \$85,000 as finder's fees.
- (ii) 1,360,000 units, at \$0.20 per unit for \$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 on or before August 16, 2019.

The Company incurred \$7,810 for costs associated with these private placements.

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**6. Share Capital (continued)**

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at September 30, 2017 and 2016 and the changes for the six months ended on those dates, is as follows:

	2017		2016	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	18,276,000	0.18	14,976,000	0.13
Granted	18,400,900	0.26	1,360,000	0.25
Exercised	-	-	<u>(2,170,000)</u>	0.07
Balance, end of period	<u>36,676,900</u>	0.22	<u>14,166,000</u>	0.15

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at September 30, 2017:

Number	Exercise Price \$	Expiry Date
293,333	1.50	April 30, 2019
146,667	1.50	June 30, 2019
176,000	1.50	July 7, 2019
1,360,000	0.25	August 16, 2019
2,500,000	0.25	December 14, 2019
1,000,000	0.25	January 5, 2020
750,000	0.25	January 10, 2020
250,000	0.25	January 16, 2020
11,180,000	0.26	April 7, 2020
2,147,000	0.26	April 18, 2020
100,000	0.26	April 28, 2020
2,693,750	0.26	May 11, 2020
1,070,000	0.26	May 16, 2020
1,210,150	0.26	May 19, 2020
5,700,000	0.07	September 9, 2020
4,950,000	0.07	October 8, 2020
<u>1,150,000</u>	0.07	October 13, 2020
<u>36,676,900</u>		

(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.

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**6. Share Capital (continued)**

During the six months ended September 30, 2017 the Company granted share options to purchase 1,935,000 (2016 - 2,200,000) common shares and recorded compensation expense of \$498,695 (2016 - \$382,730). The Company also recorded compensation expense of \$4,337 (2016 - \$nil) on the vesting of share options previously granted.

The fair value of share options granted during the six months ended September 30, 2017 and 2016 was estimated using the Black-Scholes option pricing model using the following assumptions:

	<u>2017</u>	<u>2016</u>
Risk-free interest rate	0.82%	0.52% - 0.80%
Estimated volatility	169.23% - 172.16%	169.49% - 198.51%
Expected life	3 years	3 years - 4 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average fair value of all share options granted during the six months ended September 30, 2017 was \$0.25 (2016 - \$0.19) per option.

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, 2017 and 2016 and the changes for the six months ended on those dates, is as follows:

	<u>2017</u>		<u>2016</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	3,050,000	0.24	1,600,000	0.07
Granted	1,935,000	0.31	2,200,000	0.22
Exercised	<u>-</u>	<u>-</u>	<u>(1,600,000)</u>	0.07
Balance, end of period	<u>4,985,000</u>	0.27	<u>2,200,000</u>	0.22

The following table summarizes information about the share options outstanding and exercisable at September 30, 2017:

Number	Exercise Price \$	Expiry Date
380,000	0.20	February 4, 2018
75,000	0.27	February 4, 2018
1,520,000	0.20	July 15, 2019
675,000	0.27	January 4, 2020
200,000	0.35	January 11, 2020
200,000	0.40	June 7, 2020
1,400,000	0.31	April 18, 2020
<u>535,000</u>	0.30	June 6, 2020
<u>4,985,000</u>		

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**7. 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, 2017 and 2016 the Company incurred the following compensation amounts to its current and former key management personnel:

	2017 \$	2016 \$
Mr. Roy Shipes <sup>(1)</sup>	72,000	-
Mr. Robert Naso <sup>(2)</sup>	20,000	40,000
Mr. Robert Naso - living allowances	4,469	2,625
Mr. Zahir Dhanani <sup>(3)</sup>	-	5,000
Mr. John Huguet <sup>(4)</sup>	-	25,000
Mr. Nick DeMare <sup>(5)</sup>	30,000	20,000
Share-based compensation	<u>272,536</u>	<u>-</u>
	<u>399,005</u>	<u>92,625</u>

(1) Compensation as President and CEO (appointed February 2017)

(2) Compensation as President, CEO and CFO (resigned as President and CEO, October 2016 and CFO, June 2017)

(3) Compensation as former CEO (resigned February 9, 2016)

(4) Compensation as former CEO and Chairman (to February 2017)

(5) Compensation as Corporate Secretary (also appointed interim CFO June 2, 2017)

As at September 30, 2017, \$79,614 (March 31, 2017 - \$224,508) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During fiscal 2017 Mr. Dhanani advanced funds totalling \$374,000 which the Company subsequently repaid \$310,000. During the six months ended September 30, 2017 the Company repaid \$50,000. As at September 30, 2017, \$14,000 (March 31, 2017 - \$64,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(iii) See also Note 6(b).

(b) During the six months ended September 30, 2017 the Company incurred a total of \$42,500 (2016 - \$35,000) 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, 2017 \$12,500 (March 31, 2017 - \$8,000) 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 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 a former CFO of the Company. As at September 30, 2017 \$7,386 (March 31, 2017 - \$7,386) remained outstanding to a former CFO and has been included in accounts payable and accrued liabilities.

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**8. Financial Instruments and Risk Management**

*Categories of Financial Assets and Financial Liabilities*

Financial instruments are classified into one of the following five categories: fair value through profit or loss (“FVTPL”); held-to-maturity investments; loans and receivables; available-for-sale and other financial liabilities. The carrying values of the Company’s financial instruments are classified into the following categories:

<b>Financial Instrument</b>	<b>Category</b>	<b>September 30, 2017 \$</b>	<b>March 31, 2017 \$</b>
Cash	FVTPL	1,287,735	341,323
Amounts receivable	Loans and receivables	2,976	4,233
Accounts payable and accrued liabilities	Other financial liabilities	(311,733)	(546,161)
Property purchase obligation	Other financial liabilities	(62,400)	-

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable, accounts payable and accrued liabilities and property purchase obligation approximate their fair value due to their short-term nature. The Company’s fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company’s financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.



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**8. Financial Instruments and Risk Management (continued)**

	Contractual Maturity Analysis at September 30, 2017				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,287,735	-	-	-	1,287,735
Amounts receivable	2,976	-	-	-	2,976
Accounts payable and accrued liabilities	(311,733)	-	-	-	(311,733)
Property purchase obligation	(62,400)	-	-	-	(62,400)

  

	Contractual Maturity Analysis at March 31, 2017				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	341,323	-	-	-	341,323
Amounts receivable	4,233	-	-	-	4,233
Accounts payable and accrued liabilities	(546,161)	-	-	-	(546,161)

*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

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major transactions are transacted in Canadian Dollars, US Dollars and Euros. The Company maintains Euros bank accounts in Kosovo and a US Dollar bank account with its Canadian bank to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At September 30, 2017, 1 Canadian Dollar was equal to 0.68 Euro and 0.80 US Dollar.

Balances are as follows:

	Euros	US Dollars	CDN \$ Equivalent
Cash	23,566	303,847	402,767
Accounts payable and accrued liabilities	<u>(5,162)</u>	<u>(93,610)</u>	<u>(121,988)</u>
	<u>18,404</u>	<u>210,237</u>	<u>280,779</u>

Based on the net exposures as of September 30, 2017 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the Euro and US Dollar would result in an increase or decrease of approximately \$31,000.

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**8. Financial Instruments and Risk Management (continued)**

(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 5 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, 2017.

**9. Supplemental Cash Flow Information**

During the six months ended September 30, 2017 and 2016 non-cash activities were conducted by the Company as follows:

	2017 \$	2016 \$
Operating activity		
Accounts payable and accrued liabilities	57,562	13,665
Investing activities		
Exploration and evaluation assets	(57,562)	(13,665)
Common shares issued for mineral property interests	-	(1,077,174)
	<u>(57,562)</u>	<u>(1,090,839)</u>
Financing activities		
Issuance of common shares	56,000	1,077,174
Share issue costs	(365,928)	-
Share-based payment reserves	309,928	-
	<u>-</u>	<u>1,077,174</u>