
ALTAIR RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
MARCH 31, 2022 AND 2021

(Expressed in Canadian Dollars)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Altair Resources Inc.,

Opinion

We have audited the consolidated financial statements of Altair Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company has a working capital deficit of \$1,680,588 and accumulated deficit of \$23,751,487 as at March 31, 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

DMCL

**DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, British Columbia
July 29, 2022

ALTAIR RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	March 31, 2022 \$	March 31, 2021 \$
ASSETS			
Current assets			
Cash		14,351	21,755
GST receivable		7,024	8,146
Prepaid expenses		<u>34,186</u>	<u>10,796</u>
Total current assets		<u>55,561</u>	<u>40,697</u>
Non-current assets			
Exploration and evaluation assets	4	<u>5,048</u>	<u>2</u>
TOTAL ASSETS		<u>60,609</u>	<u>40,699</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	1,736,149	718,779
Advances	6(c)	<u>-</u>	<u>12,000</u>
Total current liabilities		<u>1,736,149</u>	<u>730,779</u>
Non-current liabilities			
Non-current portion of accounts payable and accrued liabilities	6(d)	<u>-</u>	<u>523,000</u>
TOTAL LIABILITIES		<u>1,736,149</u>	<u>1,253,779</u>
SHAREHOLDERS' DEFICIT			
Share capital	5	18,176,076	15,814,255
Share-based payments reserve		3,899,871	3,637,614
Deficit		<u>(23,751,487)</u>	<u>(20,664,949)</u>
TOTAL SHAREHOLDERS' DEFICIT		<u>(1,675,540)</u>	<u>(1,213,080)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		<u>60,609</u>	<u>40,699</u>

Nature of Operations and Going Concern - see Note 1

Events after the Reporting Period - see Note 11

These consolidated financial statements were approved for issue by the Board of Directors on July 29, 2022 and are signed on its behalf by:

/s/ *George S Young*
George S. Young
Director

/s/ *Michael G. Nelson*
Michael G. Nelson
Director

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

ALTAIR RESOURCES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended	
		March 31, 2022 \$	March 31, 2021 \$
Expenses			
Accounting and administration	6(b)	46,450	27,700
Audit		15,000	17,000
Bank charges		3,358	329
Consulting		383,122	130,473
Corporate development		91,558	-
Directors and management compensation	6(a)	423,083	112,500
General exploration	4(a)	28,863	-
Legal		124,844	26,271
Office		7,913	964
Regulatory fees		15,270	28,086
Share-based compensation	5(d)	277,875	17,100
Shareholder costs		4,549	-
Transfer agent fees		6,572	4,618
Travel		198,223	5,380
Website		34,508	1,033
		<u>1,661,188</u>	<u>371,454</u>
Loss before other items		<u>(1,661,188)</u>	<u>(371,454)</u>
Other items			
Accrued interest on default judgment	4	(28,309)	(29,852)
Interest expense		-	(5,205)
Reversal of accounts payable and accrued liabilities		-	79,327
Write-off of exploration and evaluation assets	4	(1,251,900)	-
Write-off of travel advances	6(f)	(147,216)	-
Foreign exchange		2,075	38,850
		<u>(1,425,350)</u>	<u>83,120</u>
Net loss and comprehensive loss for the year		<u>(3,086,538)</u>	<u>(288,334)</u>
Basic and diluted loss per common share		<u>\$(0.07)</u>	<u>\$(0.01)</u>
Weighted average number of common shares outstanding		<u>43,322,123</u>	<u>23,104,496</u>

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

ALTAIR RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(Expressed in Canadian Dollars)

	Year Ended March 31, 2022				
	Share Capital		Share-based Payments Reserve	Deficit	Total Shareholders' Deficit
	Number of Shares	Amount \$			
Balance at March 31, 2021	30,275,373	15,814,255	3,637,614	(20,664,949)	(1,213,080)
Common shares issued for:					
- private placement	20,664,251	2,273,068	-	-	2,273,068
- options exercised	400,000	21,625	-	-	21,625
- warrants exercised	1,190,000	59,500	-	-	59,500
Share issue costs	-	(7,990)	-	-	(7,990)
Transfer on exercise of share options	-	15,618	(15,618)	-	-
Share-based compensation	-	-	277,875	-	277,875
Net loss for the year	-	-	-	(3,086,538)	(3,086,538)
Balance at March 31, 2022	52,529,624	18,176,076	3,899,871	(23,751,487)	(1,675,540)

	Year Ended March 31, 2021				
	Share Capital		Share-based Payments Reserve	Deficit	Total Shareholders' Deficit
	Number of Shares	Amount \$			
Balance at March 31, 2020	19,705,373	15,539,393	3,620,514	(20,376,615)	(1,216,708)
Common shares issued for:					
- private placement	10,570,000	277,750	-	-	277,750
Share issue costs	-	(2,888)	-	-	(2,888)
Share-based compensation	-	-	17,100	-	17,100
Net loss for the year	-	-	-	(288,334)	(288,334)
Balance at March 31, 2021	30,275,373	15,814,255	3,637,614	(20,664,949)	(1,213,080)

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

ALTAIR RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended March 31,	
	2022	2021
	\$	\$
Operating activities		
Net loss for the year	(3,086,538)	(288,334)
Adjustments for:		
Share-based compensation	277,875	17,100
Reversal of accounts payable and accrued liabilities	-	(79,327)
Accrued interest on default judgment	28,309	29,852
Write-off of exploration and evaluation assets	1,251,900	-
Changes in non-cash working capital items:		
GST receivable	1,122	1,224
Prepaid expenses	(23,390)	(10,796)
Accounts payable and accrued liabilities	466,061	115,268
Net cash used in operating activities	(1,084,661)	(215,013)
Investing activity		
Expenditures on exploration and evaluation assets	(1,256,946)	-
Net cash used in investing activity	(1,256,946)	-
Financing activities		
Issuance of common shares	2,354,193	258,750
Share issue costs	(7,990)	(2,888)
Advances repaid	(12,000)	(20,000)
Net cash provided by financing activities	2,334,203	235,862
Net change in cash	(7,404)	20,849
Cash at beginning of year	21,755	906
Cash at end of year	14,351	21,755

Supplemental cash flow information - See Note 10

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

ALTAIR RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Expressed in Canadian Dollars)

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 has a history of losses with no operating revenue and, as at March 31, 2022, has a working capital deficit of \$1,680,588 and an accumulated deficit of \$23,751,487. The Company has entered into a number of agreements to acquire mineral interests, as described in Note 4. The Company has made payments pursuant to the agreements and will require significant funding to complete the acquisition of these properties, to fund anticipated levels of operations and administration, fund its exploration requirements on completion of any of its agreements and retire its indebtedness as they come due. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. There can be no assurance that the Company will be able to do so. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to complete all or any of the mineral interest acquisition agreements and continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern and such adjustments may be material.

In March 2020 the World Health Organization (“WHO”) declared the outbreak of a novel coronavirus, identified as “COVID-19”, as a global pandemic. COVID-19 has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, the extent of the impact the COVID-19 outbreak may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

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 at fair value. The consolidated financial statements are presented in Canadian Dollars unless otherwise stated.

Basis of Consolidation

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations 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 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.

ALTAIR RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

As at March 31, 2022 and 2021 the subsidiaries of the Company are as follows:

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

3. Summary of Significant Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- (iii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.
- (iv) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

ALTAIR RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

- (v) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 7.
- (vi) As disclosed in Note 1 management is required to assess whether the Company will continue as a going concern and whether it will be able to realize assets and discharge liabilities in the normal course of business.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. As at March 31, 2022 and 2021, there were no decommissioning liabilities.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk related to cash and cash equivalents. As at March 31, 2022 and 2021 the Company did not have any cash equivalents.

Amounts Receivable

Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Receivables are classified as financial assets. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Payables are classified as financial liabilities initially at fair value and subsequently measured at amortized cost using the effective interest method.

ALTAIR RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

Exploration and Evaluation Assets

The Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties and crediting all proceeds received against the cost of the related properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they are charged to the results of operations.

Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Equipment is depreciated annually on a straight-line basis over the estimated useful life of the assets at a rate of 20% for office furniture and equipment and 25% for vehicles.

Depreciation of assets commence when the equipment is available for use and in the condition necessary for it to be operating in the manner intended by management. The Company compares the carrying value of equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

ALTAIR RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

Impairment of Assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the price that would be received to sell an asset in an orderly transaction between market participants. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning Provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at March 31, 2022 and 2021 the Company does not have any decommissioning obligations.

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. All recognized financial assets are measured subsequently at amortized cost or fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI").

The Company classifies its financial instruments into the following categories:

- (i) Financial assets at FVTPL: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of loss and comprehensive loss. Gains and losses arising from changes in fair value are presented in the consolidated statement of loss and comprehensive loss within "other gains and losses" in the period in which they arise.

ALTAIR RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

- (ii) Financial assets at FVTOCI: The Company has made an irrevocable election to designate its investments in marketable equity securities as classified at fair value through other comprehensive income. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the balance sheet date. When investments in marketable equity securities are disposed of or impaired, the cumulative gains and losses recognized in other comprehensive income are not recycled to profit and loss and remain within equity.
- (iii) Financial assets and liabilities at amortized cost: Financial assets and liabilities at amortized cost include trade receivables and trade payables and are included in current classification due to their short-term nature. Trade receivables and payables are non-interest bearing if paid when due and are recognized at their face amount, less, when material, a discount, except when fair value is materially different.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the allocation of proceeds received on sale of units to the underlying common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in private placements is determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized separately on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

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3. Summary of Significant Accounting Policies (continued)

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loss Per Share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

Foreign Currency Translation

Functional and Presentation Currency

The financial statements of each of the Company's subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. Each subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in the Consolidated Statements of Comprehensive Loss.

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3. Summary of Significant Accounting Policies (continued)

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of loss and comprehensive loss.

4. Exploration and Evaluation Assets

	Marbera Permits \$	Kazakhstan Agreement \$	Other \$	Total \$
Balance at March 31, 2020 and 2021	-	-	2	2
Acquisition costs				
Claim payments	5,046	-	-	5,046
Deposit	-	1,251,900	-	1,251,900
	<u>5,046</u>	<u>1,251,900</u>	<u>-</u>	<u>1,256,946</u>
Write-off	-	(1,251,900)	-	(1,251,900)
Balance at March 31, 2022	<u>5,046</u>	<u>-</u>	<u>2</u>	<u>5,048</u>

- (a) On May 7, 2021, as amended July 6, 2021, the Company entered into a non-binding letter of intent (the “Simon LOI”) with International Millennium Mining Inc. (“Millennium”), a publicly traded company, whereby the Company can acquire a 65% interest (the “Simon Interest”) in 37 unpatented lode claims and 20 patented lode claims (the “Simon Property”) located in the state of Nevada. To earn the Simon Interest the Company must:
- (i) issue a total of 2,500,000 common shares of the Company to Millennium by May 27, 2027, with the initial 500,000 common shares to be issued upon approval of the TSXV;
 - (ii) commencing August 15, 2021, pay US \$2,000 per month to Millennium until May 7, 2027 (US \$16,000 paid); and
 - (iii) incur a total of US \$2,200,000 of exploration expenditures on or before May 7, 2026.

The Simon Property is subject to a 2% net smelter return royalty (“NSR”).

Because the Company had not signed a binding agreement it had no legal rights to the Simon Property and, accordingly, the payments made to Millennium and claims fees payments totalling \$28,863 have been recorded as general exploration expenses in fiscal 2022. On June 15, 2022 the Company entered into a binding letter agreement with substantially the same terms as the Simon LOI, except that the total exploration expenditure commitment is to be incurred on or before June 15, 2028.

Closing of the transaction is subject to final TSXV approval.

- (b) On June 13, 2021, as amended April 4, 2022, the Company entered into a purchase agreement (the “Marbera Agreement”) with four individuals at arm’s length to the Company (the “Marbera Sellers”) whereby the Company can acquire a 90% interest in three gold prospects (the “Marbera 2 Permits”) located in the southwest region of Burkina Faso. To earn its interest in the Marbera 2 Permits, the Company has agreed to make a payment of US \$2,300,000 within three weeks of the later of: (i) TSXV approval; and (ii) the transfer of the Marbera 2 Permits to the Company. In addition the Company has also agreed to pay additional consideration, as follows:
- (i) US \$1,500,000 on completion of a NI 43-101 compliant technical report (the “43-101 Report”) with a minimum combined indicated and inferred resource of at least 1,300,000 ounces of gold;

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4. Exploration and Evaluation Assets (continued)

- (ii) US \$1,500,000 on completion of a preliminary economic assessment;
- (iii) US \$1,500,000 on completion of a feasibility study with a minimum mineable resource of at least 1,300,000 ounces of gold;
- (iv) 9,000,000 common shares of the Company and US \$3,000,000 on reaching commercial production of at least 90% of the level contemplated in the feasibility study for a period of six months of stable operation;
- (v) US \$3,000,000 one year after the start of commercial production;
- (vi) 4,000,000 common shares of the Company and US \$3,000,000 or, at the Company's option, a total of US \$9,000,000 in cash, two years after the start of commercial production;
- (vii) 4,000,000 common shares of the Company and US \$3,000,000 or, at the Company's option, a total of US \$9,000,000 in cash, three years after the start of commercial production;
- (viii) 4,000,000 common shares of the Company and US \$4,000,000 or, at the Company's option, a total of US \$10,000,000 in cash, four years after the start of commercial production; and
- (ix) 4,000,000 common shares of the Company and US \$4,500,000 or, at the Company's option, a total of US \$10,000,000 in cash, five years after the start of commercial production.

In the event that the 43-101 Report has a total number of indicated and inferred resources of greater than or less than 1,300,000 ounces of gold, the amounts of each payment, in shares of the Company and in cash, shall be proportionally increased or decreased in the same proportion that the actual number of ounces in the 43-101 Report bears to 1,300,000 ounces.

An arm's length finder's fee will be paid in connection with the transaction.

Closing of the Marbera Agreement is subject to completion of due diligence procedures, TSXV approval, completion of a definitive sale and purchase agreement, obtaining adequate financing and other conditions precedent.

- (c) On July 1, 2021 the Company entered into a preliminary purchase agreement (the "Kazakhstan Agreement") with private entities at arms-length to the Company whereby the Company can acquire up to 100% ownership interests in companies which hold two gold producing properties (the "Proposed Transaction") in Eastern and Central Kazakhstan for total consideration of US \$106,000,000 (the "Purchase Consideration"), payable as follows:
 - (i) US \$75,000,000 on the execution of the Proposed Transaction, at which time 70% ownership interests will be transferred to the Company;
 - (ii) US \$15,500,000 one year from the execution of the Proposed Transaction, at which time an additional 15% ownership interest will be transferred to the Company; and
 - (iii) US \$15,500,000 two years from the execution of the Proposed Transaction, at which time the remaining 15% ownership interest will be transferred to the Company.

On July 30, 2021 the Company paid a deposit of \$1,251,900 (US \$1,000,000) (the "Deposit"), after which the Kazakhstan Agreement could only be terminated by mutual consent of all parties or by one party as a result of a material breach in another party's performance or inability to perform its obligations under the Kazakhstan Agreement.

Because the Company had not formally secured the requisite financing for the Proposed Transaction by March 31, 2022, and having received notice from the vendors on May 31, 2022 purporting to terminate the Kazakhstan Agreement, the Deposit has been written-off during fiscal 2022.

- (d) On June 21, 2019 the Company sold its wholly-owned subsidiary, Altair Mining Inc. ("Altair USA"), to International Silver Inc. ("ISI"). Altair USA's sole asset was the Pioche Project. ISI was to be responsible for all project costs relating to the Pioche Project. As a result, during fiscal 2020 the Company recognized a recovery of \$134,234 for adjustments derecognized on sale of Altair USA.

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4. Exploration and Evaluation Assets (continued)

On March 10, 2020 a complaint for breach of contract was filed against the Company for non-payment for professional services provided on the Pioche Project. No responses were submitted by the Company, Altair USA or ISI. On September 29, 2020 a default judgment (the "Default Judgment") was awarded against the Company for US \$238,023 for the unpaid contract balance, accrued interest and legal costs to September 29, 2020. Accordingly, the Company recorded \$355,976 in accounts payable and accrued liabilities for the estimated default judgment amount, legal costs and accrued interest at March 31, 2021. A further \$28,309 was recorded during fiscal 2022 for estimated accrued interest. Pursuant to the disposition agreement ISI agreed to the transfer and guarantee of specific indebtedness of Altair USA, which included the Default Judgment. Should the creditor take legal action to enforce the judgment in British Columbia the Company may have to pay the Default Judgment, legal costs and interest. The ability by the Company to recover this obligation from ISI would be doubtful and a provision has been recorded in the accounts.

5. 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*

Fiscal 2022

The Company is conducting a non-brokered private placement financing of up to 25,000,000 units at \$0.11 per unit. Each unit comprises one common share and one common share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of \$0.18 per share for a period of one year from closing. During fiscal 2022 the Company completed a number of tranche closings and issued a total of 20,664,251 units for gross cash proceeds of \$2,273,068. Certain current and former directors and officers of the Company purchased a total of 281,818 units of this private placement. See also Note 11(a)(i).

During fiscal 2022 the Company incurred \$7,990 for filing costs incurred with the private placement.

Fiscal 2021

- (i) On November 23, 2020 the Company completed a private placement financing of 9,220,000 units at \$0.025 per unit for gross cash proceeds of \$230,500. Each unit comprised one common share and one common share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of \$0.05 per share on or before November 23, 2022. Directors and officers of the Company purchased 1,220,000 units of this private placement.

The Company paid \$1,902 for filing costs incurred with the private placement.

- (ii) On February 22, 2021 the Company completed a private placement financing of 1,350,000 units at \$0.035 per unit for gross cash proceeds of \$47,250. Each unit comprised one common share and one common share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of \$0.05 per share on or before February 22, 2026. Directors and officers of the Company purchased 450,000 units of this private placement.

The Company paid \$986 for filing costs incurred with the private placement.

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5. Share Capital (continued)

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at March 31, 2022 and 2021 and the changes for the years ended on those dates, is as follows:

	Fiscal 2022		Fiscal 2021	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of year	17,810,000	0.05	14,790,226	0.41
Issued	20,664,251	0.18	10,570,000	0.05
Exercised	(1,190,000)	0.05	-	-
Expired	(500,000)	0.06	(7,550,226)	0.74
Balance, end of year	36,784,251	0.12	17,810,000	0.05

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at March 31, 2022:

Number	Exercise Price \$	Expiry Date
140,000	0.06	June 3, 2022
6,600,000	0.06	July 17, 2022
5,164,891	0.18	July 23, 2022
9,907,090	0.18	July 26, 2022
2,059,090	0.18	August 25, 2022
228,000	0.18	October 5, 2022
8,180,000	0.05	November 23, 2022
1,017,909	0.18	December 13, 2022
100,000	0.18	January 12, 2023
136,363	0.18	January 20, 2023
360,000	0.18	February 23, 2023
200,000	0.18	March 14, 2023
1,490,908	0.18	March 24, 2023
1,200,000	0.05	February 22, 2026
<u>36,784,251</u>		

The weighted average market price of the warrants exercised in fiscal 2022 was \$0.13 (2021 - \$nil).

See also Note 11(a).

(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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5. Share Capital (continued)

During fiscal 2022 the Company granted share options to purchase 2,925,000 (2021 - 570,000) common shares and recorded compensation expense of \$277,875 (2021 - \$17,100). The fair value of share options granted during fiscal 2022 and 2021 is estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>
Risk-free interest rate	0.90%	0.44%
Estimated volatility	121%	121%
Expected life	5 years	5 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average measurement date fair value of all share options granted during fiscal 2022, using the Black-Scholes Option Pricing Model, was \$0.09 (2021 -\$0.03) 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 reliable measure of the fair value of the Company's share options.

A summary of the Company's share options outstanding at March 31, 2022 and 2021 and the changes for the years ended on those dates, is as follows:

	<u>Fiscal 2022</u>		<u>Fiscal 2021</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of year	2,000,000	0.05	1,963,750	0.30
Granted	2,925,000	0.18	570,000	0.05
Exercised	(400,000)	0.05	-	-
Expired	(500,000)	0.06	(533,750)	0.97
Balance, end of year	<u>4,025,000</u>	0.15	<u>2,000,000</u>	0.05

The following table summarizes information about the share options outstanding and exercisable at March 31, 2022:

Number	Exercise Price \$	Expiry Date
630,000	0.055	August 9, 2022
470,000	0.05	November 25, 2025
<u>2,925,000</u>	0.18	August 09, 2026
<u>4,025,000</u>		

The weighted average market price of the share options exercised in fiscal 2022 was \$0.11.

6. 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. 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.

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6. Related Party Disclosures (continued)

- (a) During fiscal 2022 and 2021 the Company incurred the following compensation amounts to its current and former key management personnel:

	Fiscal 2022 \$	Fiscal 2021 \$
Directors and management compensation	423,083	112,500
Share-based compensation	<u>173,375</u>	<u>15,000</u>
	<u>596,458</u>	<u>127,500</u>

As at March 31, 2022, \$628,250 (2021 - \$262,000) unpaid key management compensation has been included in accounts payable and accrued liabilities.

- (b) During fiscal 2022 the Company incurred a total of \$46,450 (2021 - \$27,700) to Chase Management Ltd. ("Chase"), a private corporation owned by a former officer of the Company, for accounting and administration services provided by Chase personnel.

During fiscal 2022 the Company also recorded \$19,000 (2021 - \$nil) share-based compensation for share options granted to Chase.

- (c) The Company has received ongoing advances in prior years from a shareholder and entities associated with a former officer of the Company. During fiscal 2022 the Company repaid \$12,000. As at March 31, 2022 \$nil (2021 - \$12,000) remained outstanding. The advances are non-interest bearing and repayable on demand.
- (d) During fiscal 2021 former officers of the Company agreed to not demand repayment of a total of \$523,000 of past accrued professional fees until January 31, 2023.
- (e) The Company has advanced funds totalling \$147,216 to a former director of the Company and consultants for travel expenses for which the Company has not been provided adequate documentation and the expectation of a recovery of the amounts advanced is uncertain and, accordingly, the travel advances have been expensed in fiscal 2022.
- (f) See also Note 5(b).

7. Income Taxes

Income tax expense (recovery) is recognized based on the weighted average annual income tax rate for the year applied to pre-tax income (loss).

	Fiscal 2022 \$	Fiscal 2021 \$
Loss before income taxes	<u>(3,086,538)</u>	<u>(288,334)</u>
Corporate tax rate	<u>27.0%</u>	<u>27.0%</u>
Computed expected tax recovery	833,365	77,850
Permanent differences	(75,026)	(4,617)
Change in unrecognized tax assets	768,469	1,082,719
Valuation allowance	<u>(1,526,608)</u>	<u>(1,155,952)</u>
Actual income tax recovery	<u>-</u>	<u>-</u>

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7. Income Taxes (continued)

Significant components of the Company's deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	March 31, 2022 \$	March 31, 2021 \$
Unrecognized deferred income tax assets		
Non-capital loss carried forward	2,801,682	2,366,649
Resource properties	1,417,640	1,071,841
Share issuance costs	2,470	14,833
	<u>4,221,792</u>	<u>3,453,323</u>
Net unrecognized deferred income tax assets		

As at March 31, 2022, the Company has non-capital losses for Canadian tax purposes of approximately \$10,376,600 (2021 - \$8,765,366) which are available to reduce taxable income in future years that expire between 2026 and 2042.

In addition to non-capital losses, the Company has deductible temporary differences of \$5,259,667 (2021 - \$4,024,720) for which deferred tax assets have not been recognized because it is not probable that future taxable profit will be available to utilize the benefits.

8. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following following categories: fair value through profit or loss ("FVTPL"); amortized cost; and fair value through other comprehensive income. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2022 \$	March 31, 2021 \$
Cash	FVTPL	14,351	21,755
Investment in ISI shares	FVTPL	-	-
Accounts payable and accrued liabilities	Amortized cost	(1,736,149)	(1,241,779)
Advances	Amortized cost	-	(12,000)

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 accounts payable and accrued liabilities and advances approximate their fair value. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs. The fair value of investment in ISI shares has been measured using Level 3 inputs which resulted in a \$nil value as at March 31, 2022 and 2021.

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8. Financial Instruments and Risk Management (continued)

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. Management believes that the credit risk concentration with respect to financial instruments included in cash 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.

Contractual Maturity Analysis at March 31, 2022					
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	14,351	-	-	-	14,351
Accounts payable and accrued liabilities	(1,736,149)	-	-	-	(1,736,149)
Contractual Maturity Analysis at March 31, 2021					
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	21,755	-	-	-	21,755
Accounts payable and accrued liabilities	(718,779)	-	(523,000)	-	(1,241,779)
Advances	(12,000)	-	-	-	(12,000)

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 primarily transacted in Canadian Dollars and US Dollars. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At March 31, 2022, 1 Canadian Dollar was equal to 0.80 US Dollar.

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8. Financial Instruments and Risk Management (continued)

Balances are as follows:

	US Dollars	CDN \$ Equivalent
Cash	1,995	2,494
Accounts payable and accrued liabilities	<u>(547,041)</u>	<u>(683,798)</u>
	<u>(545,046)</u>	<u>(681,304)</u>

Based on the net exposures as of March 31, 2022 and, assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's net loss being approximately \$68,000 higher (or lower).

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 Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to complete its acquisitions, 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.

9. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Central Asia, USA and Africa and its corporate assets, comprising mainly of cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	<u>As at March 31, 2022</u>			
	Canada \$	USA \$	Africa \$	Total \$
Current assets	55,561	-	-	55,561
Exploration and evaluation assets	-	<u>2</u>	<u>5,046</u>	<u>5,048</u>
	<u>55,561</u>	<u>2</u>	<u>5,046</u>	<u>60,609</u>
	<u>As at March 31, 2021</u>			
	Canada \$	USA \$	Total \$	
Current assets	40,697	-	40,697	
Exploration and evaluation assets	-	<u>2</u>	<u>2</u>	
	<u>40,697</u>	<u>2</u>	<u>40,699</u>	

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10. Supplemental Cash Flow Information

During fiscal 2022 and 2021 non-cash activities were conducted by the Company as follows:

	Fiscal 2022 \$	Fiscal 2021 \$
Financing activities		
Issuance of common shares	15,618	19,000
Share-based payments reserve	(15,618)	-
Retirement of advances	-	(19,000)
	<u>-</u>	<u>-</u>

11. Events after the Reporting Period

(a) Subsequent to March 31, 2022:

- (i) the Company issued an additional 182,000 units of the \$0.11 Financing for gross cash proceeds of \$20,020;
- (ii) the Company issued 1,000,000 shares on the exercise of warrants for \$60,000; and
- (iii) warrants to purchase 20,811,981 common shares of the Company expired without exercise.

(b) See also Note 4.