

## To Our Shareholders

For the first time since my involvement with this Company (1988) we did not print an annual report this year. The highlights of the past one year are summarized in the 2005 Management Discussion and Analysis which is sent with these annual meeting materials. Details of our properties and other information on the Company are available on our website at [www.altairesources.com](http://www.altairesources.com).

In July 2005 our Company and its joint-venture partner in the Sorel-Trois Rivieres natural gas property (formerly known as Lac St-Pierre and Sorel properties) signed an option agreement with Talisman Energy Canada of Calgary, Alberta on four ("Farmout Lands" – 183,500 acres) of the seven oil and gas permits of our property in Quebec. Talisman has committed to drilling one well of at least 750 meters deep.

Talisman has now informed us that it will be drilling the test well in June 2006. Results are expected in July 2006.

The Company will be working on the three remaining oil and gas permits (121,200 acres) which have to date 20 outlined shallow gas targets of which two have been drilled with gas discoveries. To date we have not yet done any seismic survey orientated to possible deep gas targets on these three permits.

Development of a gas storage site or sale of storage rights remains an important aim of the Sorel-Trois Rivieres property for the Company.

The closing of the sale of the Sibuyan nickel property is delayed due to permitting issues. Altai Philippines Mining Corporation informed us that the transaction is expected to close in early August 2006. The Negros Island sulfur property is under option to Crew Gold Corporation which has an option to buy our interest for US\$750,000 on or before January 2007 and for US\$1 million thereafter. We do not know their intent at present. If funds are generated through the sale of assets in the Philippines, we intend to deploy part of the proceeds to advance the Lahuy gold project (high grade narrow vein deposits as well as possible open pittable low grade gold deposits) and the Bulan gold project, a grass-root gold project with considerable tonnage potential.

I take this opportunity to thank our consultants, directors and shareholders and express my belief that 2006 will be a better year for your Company.

On behalf of the Board

*"Niyazi Kacira"*  
Niyazi Kacira  
President and CEO

April 20, 2006