

## To Our Shareholders

The information on the activities of your Company are summarized on the Management Discussion and Analysis which is also available on our website [www.altairesources.com](http://www.altairesources.com). The summarized audited financial statements for 2007 are also presented herewith. Our current working capital position (approximately \$6 million) is healthy.

Since 2007, particularly from the beginning of April 2008, Sorel-Trois Rivieres gas project, Quebec, was the centre of our activity. On April 1, 2008, Forest Oil of Denver, Colorado announced a significant gas discovery in two vertical wells less than 1.5 kilometres to the east of our permits. The gas occurs in the Utica Shales of Ordovician Age. The announcement put companies active in the area, including Altai, on the spotlight. With various interests in permits aggregating to 315,000 acres in the middle of the area of interest, Altai is well positioned to participate in this shale gas play. Shale gas deposits reportedly have long life. However extracting the gas requires drilling contractors with good knowledge of horizontal drilling and fracking. The announced two horizontal wells to be drilled this year by Forest Oil at their discovery close to our permits will be of importance.

Although shale gas is the subject of the recent interest, our permits contain potential targets in carbonates and sand stones: Trenton-Black River, Chasy, Beekmantown formations which contain gas and oil elsewhere in the Appalachians. Altai permits also host significant gas deposits in shallow, recent gravels. Gas in gravels was the main focus of our activity for the last 15 years for their gas storage potential.

Altai's 50% owned gold project in the Malartic area, Quebec, has been optioned to two junior companies. If the option is exercised, Altai will retain significant royalty interest in this property.

On behalf of the Board, I extend our thanks to our consultants and shareholders.

*"Niyazi Kacira"*

Niyazi Kacira  
President and CEO  
May 21, 2008