2 5 pt. v. y harmactions (Nota 12,		- 0	SUPP
Line of the Line o	CONSOLIDATED BALANCE SHEE AS AT JUNE 30, 2010 AND DECEMBER		
AND THE DAY HER BUT HER STREET	(PREPARED BY MANAGEMENT	7 448,211	in the state of th
	The second secon	JUNE 30,2010	December 31, 2009
	The second secon	(UNAUDITED)	(AUDITED)
10016113		<u> </u>	
ASSETS	the control of the co	and the second of the second o	
Current			
Cash and cash equivalents	ting the second of the second	3,798,028	3,822,375
Marketable securities (Note 3)	The second of the second of the second of the second second of the secon	31,296,305	1,440,910
Accounts receivable (Note 4)		227,034	76,696
Prepaid expenses		2,847	2,847
		5,324,214	5,342,828
Note receivable		1	1
Investment in subsidiaries (Note 5)		057.454	960 444
Interests in mining properties (Note 6	5)	857,151	860,114
Natural gas interests (Note 7)	and the second of the second o	31,793,042	31,862,869
Technology project		12,292	14,505
Capital assets were not (content)		12,282	14,505
The second confident forms as		37,986,703	38,080,320
	the second secon	798.628	3 11 12 12 12
LIABILITIES	en de la companya de En la companya de la	en in die een van die die gebeure van die een van d Die een van die	
Current		No. of the second	
Accounts payable		(DMADDU = 31,386	32,207
		JUNE 30,330,886	prosuper 332,207
Future tax liability	(PREFARED BY MANAGEMENT)	7,448,211	7,448,211
	AS AT MINERO, SHIDAND DECEMBER ?	11 50°7,479,597	7,480,418
Related party transactions (Note 12)	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Commitments (Note 13)			
SHAREHOLDERS' EQUITY			
Share capital (Note 8a)		35,585,982	35,678,910
Share purchase warrants (Note 8b)		462,000	1,407,000
Contributed surplus (Note 9)		2,152,010	863,210
Deficit (17010 0)		(7,756,056)	(7,459,098)
Accumulated other comprehensive in	ncome (loss) (Note 10)	63,170	109,880

DW910

30,507,106

37,986,703

200 AUG 10 A 8: 25

30,599,902

\$38,080,320

ALTAI RESOURCES INC. CONSOLIDATED STATEMENTS OF OPERATIONS, COMPREHENSIVE INCOME (LOSS) AND DEFICIT FOR THE SIX MONTHS ENDED JUNE 30, 2010 AND 2009 (UNAUDITED)

១០១៩ ១០ ខាន់ ១៧	Unera via	thead.i.	Three months	ended June 30	Six months	s ended June 30
	6 ho. i	6097	2010 1742	2009	2010	2009
		<u> </u>	\$	\$	\$	\$
CONSOLIDATE	D OPERATIONS					
Revenue	√ % € .:	:				1.00
Investment an	nd miscellaneous income		24,891	12,193	49,377	20,635
10 3 + 40	3 ()	-7.30 %	24,891	12,193	49,377	20,635
Expenses	4.1		1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1		a transfer	
Administrative	expenses	Co	33,723	46,195	58,973	66,324
Abandonment	t and write-offs		21,002	_	21,002	_
Prospecting a	nd general		· -	49	· <u> </u>	211
	compensation cost		64,800	_	251,800	17,900
Amortization			1,416	1,350	2.785	2,701
	of marketable securities		11,775	.,000	11,775	12,701
LOSS OIT SAIC C	or marketable securities		11,770		11,770	
			132,716	47,594	346,335	87,136
• •			102,710	17,00	0.0,000	,
Net loss before	e share of net loss of	equity	(107,825)	(35,401)	(296,958)	(66,501)
	to the state of th	equity	(107,825)	<u> </u>		
investment	to the state of th	equity	(107,825)	(35,401)		(66,501)
Income Taxes Net loss	1	14-55-251g 54-31 34-31	(107,825) STANCT	(35,401) 6,928	(296,958)	(66,501) 8,817
investment Income Taxes Net loss Other compre	to the state of th	14-55-251g 54-31 34-31	(107,825) STANCT	(35,401) 6,928	(296,958)	(66,501) 8,817
Income Taxes Net loss Other compretaxes)	ehensive income (loss)	(net of	(107,825) STANCT	(35,401) 6,928	(296,958)	(66,501) 8,817 (57,684)
Investment Income Taxes Net loss Other compretaxes) Increase (dec	ehensive income (loss) crease) in fair value of a tments (net of taxes (reco	(net of	(107,825) STANCT	(35,401) 6,928	(296,958)	(66,501) 8,817
Investment Income Taxes Net loss Other compretaxes) Increase (dec for sale invest	ehensive income (loss) crease) in fair value of a tments (net of taxes (reco 09 – (\$8,817)	(net of	(107,825)	(35,401) 6,928 (28,473)	(296,958) - (296,958)	(66,501) 8,817 (57,684) 53,435
Investment Income Taxes Net loss Other compretaxes) Increase (dec for sale invest (\$12,443); 200 Comprehensive	ehensive income (loss) crease) in fair value of a tments (net of taxes (reco 09 – (\$8,817)	(net of vailable very) –	(107,825) - (107,825) (137,990) (245,815) (0.01)	(35,401) 6,928 (28,473) 41,990	(296,958) - (296,958) (46,710) (343,668)	(66,501) 8,817 (57,684) 53,435
Investment Income Taxes Net loss Other compretaxes) Increase (dec for sale invest (\$12,443); 200 Comprehensive Net loss per si	ehensive income (loss) crease) in fair value of attments (net of taxes (reco 09 - (\$8,817) e income (loss) hare - basic and fully	(net of vailable very) –	(107,825) — (107,825) (137,990) (245,815)	(35,401) 6,928 (28,473) 41,990 13,517	(296,958) - (296,958) (46,710) (343,668)	(66,501) 8,817 (57,684) 53,435 4,249
Investment Income Taxes Net loss Other compretaxes) Increase (dec for sale invest (\$12,443); 200 Comprehensive Net loss per si (Note 11)	ehensive income (loss) crease) in fair value of attments (net of taxes (reco 09 – (\$8,817) e income (loss) hare – basic and fully	(net of vailable very) –	(107,825) - (107,825) (137,990) (245,815) (0.01)	(35,401) 6,928 (28,473) 41,990 13,517	(296,958) - (296,958) (46,710) (343,668)	(66,501) 8,817 (57,684) 53,435 4,249
Investment Income Taxes Net loss Other compretaxes) Increase (dec for sale invest (\$12,443); 200 Comprehensive Net loss per si (Note 11) CONSOLIDATEI	ehensive income (loss) crease) in fair value of attments (net of taxes (reco 09 – (\$8,817) e income (loss) hare – basic and fully	(net of vailable nvery) —	(107,825) - (107,825) (137,990) (245,815) (0.01)	(35,401) 6,928 (28,473) 41,990 13,517 (0.00)	(296,958) - (296,958) (46,710) (343,668)	(66,501) 8,817 (57,684) 53,435 4,249 (0.00)

ALTAI RESOURCES INC. THE RESOURCES INC. (FOR THE SIX MONTHS ENDED JUNE 31; 2010 AND 2009 (UNAUDITED)

of error of free of horizoda		ಾಂ ಪ Three months ended June 30		Six months ended June 30		
2000	$+$ $C \leftrightarrow 1$	2010 115	2009	2010	2009	
	<u> </u>	\$ 7	\$	\$	<u> </u>	
Operating activities				\$200000000	有 种 (1997年),1994年(1917年)	
Net loss		(107,825)	(28,473)	(296,958)	(57,684)	
Items not affecting cash	84 F.	s* ₆ ,		aduly insig which is	Park Allace	
Stock-based compensation cost		64,800		251,800	17,900	
Future income taxes	A CONTRACTOR		(6,928)		(8,817)	
Abandonment and write-offs		21,002	· · · · ·	21,002	(-,,	
Loss on sale of marketable securities		11,775	_	11,775	·	
Amortization	**	1,416	1,350	2,785	2,701	
• ** •	*					
Changes in non-cash working capital balan	ces:					
Accounts receivable		(141,169)	(3,531)	(150,338)	3,655	
Prepaid expenses		_	<u>-</u>	នេះ ។នេះ	2,990	
Accounts payable		(47,717)	8,728	(821)	(39,619)	
Consulting payable	- ' - ' - F	_ *		` <u>-</u>	(35,100)	
Cash used in operating activities	, rejeren	(197,718)	(28,854)	(160,755)	(113,974)	
Investing activities	- 175 - 4				er i de la secono	
Deferred exploration expenditures		3,068	(1,333)	2,963	(1,633)	
Natural gas interest	*, *;	147,193	(57,547)	48,825	(96,255)	
Proceeds on sale of marketable securities		86,120	<u> </u>	86,120	Maga 2	
Purchase of capital assets		(572)	_		<u>-</u>	
Investment in subsidiaries			$-i\partial t \frac{\delta}{2} \partial_x g$	70 Tell (1944) 1971 Hr. (1944)	Managara jaran 💆	
general section (Control of Control of Contr		235,809	(58,880)	137,336	ongs (63, (97,888)	
Financing activities (Signates)	and the same of th	(713.S.	Carrie Carrie	Section of the sectio		
Issue of shares			2017.17.3	. Was two Yest or		
Shares issue costs (1997)	(00.0)	(928) (20 0)	_	(928)	(929)	
		(928)	_	(928)	14,071	
Increase (decrease) in cash and equivalents	cash: (8.80. Na N	37,163	(87,734)	(24,347)	(197,791)	
Cash and cash equivalents, beginning of pe	riod	3,760,865	5,525,226	3,822,375	5,635,283	
Odan and cash equivalents, beginning of pe		0,700,000	0,020,220	0,022,070	0,000,200	

ALTAI RESOURCES INC. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Cause also provide a superior suggested a June 30, 2010, has been also be selected

Nature of operations when the greenper industries and the street coughts wheat a feature wheat from the control of the control

Altai Resources Inc. (the "Company") is a resource company with a portfolio of oil and gas (in Quebec), gold, nickel and sulphur properties in Canada and the Philippines, and they have been presented in the first the second era aria in selitore en encarre qui dande en menero arias en en encarre en encarre

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Medical Advantage to the region of the control of t

menada kecamagaja da seriotati a sa seriotaga sebitati Summary of significant accounting policies 2.

(a) Basis of presentation and consolidation

The interim period consolidated financial statements have been prepared by the Company (without being reviewed by auditors) in accordance with Canadian generally accepted accounting principles. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements, except where there are changes in accounting policies which have been disclosed in these financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim period consolidated financial statements should be read together with the audited consolidated financial statements and the accompanying notes. In the opinion of the Company, its unaudited interim period consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

The unaudited interim period consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

(b) Adoption of new accounting standards seek 1

The Company has not adopted any new accounting standards during the current period.

orthograms The Constitution of the Constitution of the William States of the Constitution of the Constitution of the Const

(c) Future accounting changes

i) International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standard Board confirmed the changeover from Canadian GAAP to IFRS to be applied to publicly accountable enterprises effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2011.

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and out the engine service of a service could be set at the contract of a service o

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The Company is continuing to assess the impact on its consolidated financial statements and is developing an implementation plan.

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140 14

ii) Business Combinations (Section 1582), Consolidated Financial Statements (Section 1601), and Non-controlling interests (Section 1602) In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, ("Sections 1582"), 1604; Consolidated Financial Statements, ("Section 1601") and 1602, Non-controlling Interests; ("Section 1602") which replace CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"), and will be applicable to business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements, and will be applicable to the Company's interim and annual consolidated financial statements for the fiscal year beginning January 1, 2011. Early adoption of this section is permitted. If the Company chooses to early adopt any one of these sections, the other two sections must also be adopted at the same time. The Company is evaluating the impact of the adoption of these sections on its future acquisitions.

3. Marketable securities

The available-for-sale marketable securities consist of highly liquid and dividend / interest paying Canadian financial and utilities shares and shares of junior resource companies the Company received pursuant to option agreements. They are all categorized under Level 1 (quoted market price of the fair value hierarchy in accordance with Section 3862 of the CICA Handbook). Their total fair market values as at June 30, 2010 of \$1,296,305 are slightly higher than their total costs of \$1,212,907. The unrealized gain or loss is included in the comprehensive income or loss:

Accounts receivable

Accounts receivable as at June 30, 2010 consists of : rentant or remisseus 18 to a now well significated states at a sequence of section we want board by review is a complete significant of the control of the significant of the control of t

Refundable resource tax credit receivable	199,772		\$ 100 miles	
Miscellaneous receivables	27,262			
The state of the s	227,034	All the State of	of the	

Investment in subsidiaries

The Company has 40% equity interest in Altai Philippines Mining Corporation ("Altai Philippines") and some other contractual benefits.

The properties of Altai Philippines are Sibuyan Island lateritic nickel-cobalt property, Negros Island sulfur property and Lahuy Island gold property. of the contraction of the second of the seco

DRIVE THE WITH HOSE MOTHER ELECTION OF MALLS LEDGER OF BEIDE

- a) In November 2004, Altai Philippines entered into an option agreement with a consortium headed by Sunshine Gold Pty Ltd ("Sunshine") of Australia on Altai Philippines' nickel laterite property on Sibuyan Island ("Sibuyan property"). Under the option agreement, Sunshine, after satisfactory due diligence on the property, would have ninety days from the date of Altai Philippines obtaining approval of the Mineral Production Sharing Agreement (MPSA) application for the property to exercise the option to purchase the Sibuyan property. Sunshine was to fund the expenses for the MPSA application. As at June 30, 2010, er, ses macel Transplantages to the acceptance of the second section of the second of
- b) In June 2008, Altai Philippines entered into an agreement to sell its Negros Island sulphur property to a private Philippine company (the "Optionee") for US\$1,500,000 payable in three instalments over a maximum of 6 years (US\$500,000 every two years or less) subject to certain approvals of the Philippine Government. As at June 30, 2010, no instalment payment had been made by the Optionee.

Though there are outstanding sale option agreements on two of the three properties of Altai Philippines, there is uncertainty in the timing of the MPSA and other approvals for the properties by the Philippine Government. The Company has therefore written down its investment in Altai Philippines to \$1 in 2008.

6. Interests in mining properties were any Coret to sensor be used sea helicities below the core in the

or above on the Marketine of Light

			er estiga	Balance,	38 887 SA. 25			Balance,
			Beg	ginning of				End of
				Period			Tax Credit	
		.14	and the second second		The state of the state of	\$	\$	\$
		 		. 4		<u> </u>	· · · · · · · · · · · · · · · · · · ·	
alartic Township, Quebe	3			. 4				
alartic Township, Quebe	3					v. 345	miga nik sa	

(1) Refundable resource tax credit receivable from Quebec Government. AND MENSOR OF THE SECOND OF THE MENSOR OF THE PROPERTY DESCRIPTION OF THE PROPERTY OF THE PROPERTY AND A PROPERTY OF THE

Malartic Township gold property, Quebec stead for the property constitution of the control of the control

The Company owns 50% working interest in the Malartic Township gold property of three mining claims totalling 120 hectares (300 acres) in Quebec. The other 50% working interest is owned by the property joint-venture partner, Globex Mining Enterprises Inc. ("Globex"), which names the project "Blackcliff gent was the same

Natural gas interests

		Balance, Beginning of	Profit Control of the Control	Tax Credit	Balance, End of
		period \$	Expenditure \$	and write off	Period \$
a)	Sorel-Trois Rivieres property, St. Lawrence Lowlands, Quebec	31,827,253	147,809	(182,020) (1)	31,793,042
p)	Sept-lies property, Quebec North	35,616	, 70	(35,686) (2)	0
Tota	in the state of th	31,862,869	147,879	(217,706)	31,793,042

- Refundable resource tax credit receivable from Quebec Government.
- Includes refundable resource tax credit receivable from Quebec Government of \$14,684 and expenditure write off of 21,002

Sorel-Trois Rivieres natural gas property, Quebec

At June 30, 2010 the Company had 100% interest in seven oil and gas and reservoir permits in the Sorel-Trois Rivieres area, St. Lawrence Lowlands region of Quebec, covering 114,344 hectares (282,544 acres). a for grant to xare movem.

Regarder to the first the second of the seco

The Company also has 15% gross royalty on all net receipts from the permit (#2002PG625 or successor permit) of 13,290 hectares (32,840 acres) that Talisman Energy Canada has 100% working interest.

) Sept-lies gas property, Sept-lies, Quebec North

In June 2010, the Company abandoned the gas permit of 24,042 hectares (59,408 acres) in the Sept-Iles area, Quebec North Region, which is about 750 km north east of the Sorel-Trois Rivieres oil and gas property. The project expenditure has been written off at the end of June, 2010.

Subject to a supple of the state of the stat

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8. Share capital

a) Share capital

Authorized

An unlimited number of common shares of no par value.

479.3

Issued and outstanding common shares

issued and outstanding common snares				
	0747 3 1995.		No. of shares	Amount \$
Balance at December 31, 2008	nample ¥ age sag	A St. Markey	49,413,552	35,768,839
Issued pursuant to exercise of stock option Share purchase warrants	a Bodina Distriction	a silandi di silandi d	100,000	31,000 (120,000)
Share issuance costs relating to warrant term	n extension	· · · · · · · · · · · · · · · · · · ·		(929)
Balance at December 31, 2009		11 S (4)	49,513,552	35,678,910
Share purchase warrants (1) Share issuance costs relating to warrant to	term extension			(92,000) (928)
Balance at June 30, 2010	£68 5	560,855.4	49,513,552	35,585,982

⁽¹⁾ In April 2010, the Company extended the warrant term of 1,000,000 common share purchase warrants by one year to May 4, 2011 which were issued under a private placement of 2 million units at \$0.95 per unit on May 5, 2008. These warrants are exercisable at \$1.25 per common share purchase warrant with original one year warrant expiry date of May 5, 2009 which was subsequently extended to May 4, 2010. The fair value of the warrants was estimated at the date of the extension being granted using the Black-Scholes option pricing model with the following assumptions: expected volatility of 69%; expected dividend yield 0.0%; risk free interest rate 2.43%; expected life – 3 years. The fair value of the warrants was \$92,000.

b) Warrants

in a server to	61.8,203 0.58 + 85	and the second s	The second se	ander over de service en la service de	end to one ingular with the second of the se	exercise
Warrants	19 8 4 L		The state of the second		Warrants Control of the Control	price \$
Outstanding at	December 31, 2008 and	1 2009	- 14 M		5,100,000	0.76
Expired withou	t being exercised				(600,000)	0.60
				} +	/ JETS/GE (3,500,100)	0.65
Outstanding at	June 30, 2010	3.	gt sp. r	\$* 1	1,000,000	1.25

The following table summarizes the warrants outstanding as at June 30, 2010:

Number of warrants		Exercise Price	Expiry date	 Warrant Value
	 4 4 4 4	\$ -		 \$
1,000,000		1.25	May 4, 2011	462,000

c) Stock options

The 2002 Stock Option Plan was discontinued and terminated on May 3, 2010 and replaced by the 2010 Stock Option Plan to grant up to 4,950,000 option shares to directors, officers and employees of the Company or of its subsidiaries. The outstanding 1,220,000 stock options granted under the 2002 Stock Option Plan remain in full force until they are exercised, expired or cancelled. The options are generally exercisable for up to five years from the date of grant.

The prices of all stock options granted are greater than or equal to the closing fair market value of each common share on the days prior to the options being granted.

At June 30, 2010, there were 3,530,000 options available for future grants.

In the six months ended June 30, 2010, the Company granted the following options: (1) 100,000 vested options to each of the five directors of the Company at \$0.46 per share with an expiry date of February 21, 2015, and (2) 200,000 vested options to a new director at \$0.42 per share expiring June 28, 2015.

The fair values of the options granted during the period ended June 30, 2010 were estimated at the dates of the grants using the Black-Scholes option

	(1)	(2)	Total
Stock options granted	500,000	200,000	700,000
Stock options granted Million and the large beings Bornelle or registrational authorities to Dept. Black-Scholes assumptions used	त्रस्य काम प्रसाधकार्य हुन्द्र सम्बद्धा समाप्त 	ROMA GROUP HISTORY OF BUILDING BUILDING	. '.'
Expected volatility	116%	116%	
Expected dividend yield	0.0%	0.0% ³⁰⁰ (36.5 \$0.00	186
Risk-free interest rate	1.88%	1.98%	
Expected option life in years	5	5	**
Fair value per stock option granted	\$0.374	\$0.324	
Fair value of stock options granted	\$187,000	100 - 01-0 \$64,800 or or or or	\$251,800

Control of the control of the first of the control of

A Summary of the status of the Company's stock options as at June 30, 2010 and December 31, 2009, and changes during the periods then ended is presented below: grand appropriate the state of the state of the state of

Stock options	June 30, 2010 No. of Options	June 30, 2010 Weighted average exercise price	2009	Year 2009 Veighted average exercise price \$
Outstanding at beginning of year	720,000	1.227	820,000	1.181
Granted (Amaging to page 1)	700,000	0.449	\$1.000_85 100;000 #36\$=7.00#=3	0.225
Exercised Cancelled	-		(100,000) (100,000)	0.15 0.93
Outstanding at end of period	1,420,000	0.843	720,000	1,227
Exercisable at end of period	1,420,000	0.843	720,000	1.227
Contributed surplus		ស់ស្រែស្រួស ខ្លួន មានិ ស្រាស់ស្រាស់ស្រាស់ស្រាស់ស្រ	er Mercula Balledon er ett beleve († 1966) Bullet gust och elle skalande († 1966) bleve er Mallet bleve gette lakkalet (1966) bleve er ett (1966) Bullet delte kalande kommunikarie (1966)	

9.

Contributed surplus transactions for the six months ended June 30 are as follows:

	2010 \$	2009 अनुसारकारी (a \$
Balance beginning of year	863,210	861,310
Stock-based compensation	251,800	17,900
Exercise of stock options	-	(16,000)
Expired warrants control of the cont	1,037,000	<u> </u>
Balance end of period	2,152,010	863,210

10. Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) for the six months ended June 30 are as follows:

	julija be u jednostikos	2010 \$	2009 \$
Balance beginning of year Unrealized gain (loss) of marketable securities		109,880 (46,710)	(52,402) 68,769
Balance end of period		63,170	16,367

11. Earnings (loss) per share

Basic net earnings (loss) per share is calculated by dividing the net earnings (loss) by the weighted average number of shares outstanding during the period. Diluted net earnings (loss) per share is calculated by dividing the net earnings (loss) by the sum of the weighted average number of shares outstanding and all additional shares that would have been outstanding if potentially dilutive securities had been issued during the period.

The following table sets forth the computation of basic and diluted loss per share for the six months ended June 30:

			· 1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,1987年,		
				2010	2009
<u>ை வெள்ளத்தும் அச்சும் வ</u> ண	E BOAR IS A RECORD OF CAREER TON	1.75 - 1 90 % - 30	in exercisions First	age was be usung enough soon to in carrier value	\$_
Numerator				원합니다는 및 41 d	
Net loss for the period - b	asic and diluted			(296,958)	(57,684)
Denominator		.e#1:1%	The state of the s	misses cholore i esem nost alteraja. In tala 25	
Weighted average number	r of shares basic	Section 1	5 July 2 P. C.	49,513,552	49,498,484
Effect of dilutive shares		The second of the second		THE THE PERSON DESIGNATION OF THE PERSON OF	
Stock options	The State of the s	and the second		8 - 75 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	802,740
Warrants				1,000,000	5,100,000
Weighted average numbe	r of shares – diluted			51,764,237	55,401,224

	18.00	그 가장 하는 것 같은 사람들이 되었다. 그 사람들이 얼마를 가장 하는 것 같아 되었다.	
Basic and diluted net loss per share (1)		(0.01)	(0.00)

(1) Due to the loss in the periods, the diluted weighted average number of shares used to calculate the diluted net loss per share is the same as the basic weighted average number of shares as the inclusion of outstanding share options and warrants would be anti-dilutive. o netro do espera Suna dilita como bade nada Managaranda Gouastron endinadejala fariha yner antoni Brito cesto

12. Related party transactions: come of pastybe sea mobile onest, if it is been policed extend to not not be identified a second of the second

The following related parties transactions arose in the normal course of business and have been accounted for at the exchange amount being the amount agreed to by the related parties, which approximates the arms length equivalent value.

Consulting services were provided by two officers. Fees for such services amounted to \$46,000 (2009 - \$36,000). These fees have been allocated to administrative expenses in the amount of \$4,200 and resource properties in the amount of \$41,800.

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13. Office lease commitments

a compression and the first appropriate base some conservation of the conservation of The Company has a 5 year office lease starting from July 1, 2008. The basic rent per month is \$1,218 and the additional rent per month for 2010 is approximately \$1,514, these Appreciations of the Secretary and approximately \$1,514, these approximately \$1,514.

14. Management of capital

The Company's objectives when managing capital are:

- (a) to ensure that the Company maintains the level of capital necessary to meet the requirements of its exploration programs and current operating
- to allow the Company to respond to changes in economic and/or marketplace conditions;
- to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and
- to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

- The respect of the compared to the first of the control of the con

(b) raising capital through equity financings.

The Company is not subject to any capital requirements imposed by a regulator.

Willy take given and a thin stores The Company expects that its current capital resources will be sufficient to discharge its liabilities as at March 31, 2010.

15. Subsequent event

dog is set said fo**quers**ion that, (1020) and have thang at this great heir log the set wash 2010, sets on the grown of the contract (a) On July 20, 2010, 100,000 stock options at \$2.42 per share and 100,000 stock options at \$0.46 per share were cancelled. - (a) A share were share were cancelled. 3 — в нем вистория в 1905 година (1906) — годинател и может в 1909 година (1908) в 1909 година (1909 година (В 1909 година (1909 година (1909 година) (1909 година (1909 година) (1909 година (1909 година) (1909 година) (1

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ALTAI RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (FORM 51-102F1)

FOR THE SIX MONTHS ENDED JUNE 30, 2010

Dated July 21, 2010

Entertain on our set man

The selected consolidated financial information set out below and certain comments which follow are based on and derived from the unaudited consolidated financial statements of Altai Resources Inc. (the "Company" or "Altai") for the six months ended June 30, 2010 and should be read in conjunction with them. Some of the items discussed in the Management's Discussion and Analysis for the year ended December 31, 2009 ("2009 Annual MD&A") dated April 23, 2010 are relevant for the period under review and therefore readers are advised to read this with the 2009 Annual MD&A.

Additional information relating to the Company is available on SEDAR at www.sedar.com and on Altai's website at www.altairesources.com.

FORWARD LOOKING STATEMENTS

This discussion includes forward-looking statements and assumptions respecting the Company's strategies, future operations, commodity prices and discusses certain issues, risks and uncertainties that can be expected to impact on any of such matters.

By their nature, forward-looking statements are subject to numerous risks and uncertainties that can significantly affect future results. Actual future results may differ materially from those assumed or described in such forward-looking statements as a result of the impact of issues, risks and uncertainties whether described herein or not, which the Company may not be able to control. The reader is therefore cautioned not to place undue reliance on such forward-looking statements.

The Company disclaims any intention or obligation to update or revise these forward-looking statements, as a result of new information, future events or otherwise.

OVERVIEW

The Company is a junior natural resource exploration company with its properties in Canada and the Philippines and at the present time does not have a producing natural resource property.

1) Altai's properties in Canada, both in the Quebec Province as following, were maintained in good standing as at June 30, 2010 and to date:-

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- a) the 50% owned Malartic gold property (named "Blackcliff gold property" by property joint-venture partner) of 3 claims of 120 hectares (300 acres), in the Val d'Or area of Quebec, and
- b) the 100% owned Sorel-Trois Rivieres natural gas property, St. Lawrence Lowlands, of 7 oil and gas and reservoir permits of 114,344 Ha (282,544 acres) (excluding the permit of 13,290 Ha (32,840 acres) in which Talisman Energy Canada has 100% working interest and Altai has 15% gross royalty).

t TSN 18 പാര്ഷ്ട് ഒരു മാർഷ്ട് അ എമ്മ്യോൻ അ നിവര ത്വി was വഴങ്ങ് നിരുത്ത് നാന് വരുന്നു വരുന്നു. 2) Malartic gold property, Quebec

In 2008, C2C Gold Corporation Inc. ("C2C" and name changed to Key Gold Holding Inc. in March 2010) whose option agreement on the Malartic gold property was terminated in 2009, drilled 4,055 meters at the near surface extension of the No. 2 gold vein zone of the property (where a historical non NI 43-101 compliant resource of 222,433 tonnes grading 7.06 g/t Au was reported in 1988) and reported that numerous shallow mineralized intersections of significant grade and/or thickness were encountered.

Overall this property has a drill indicated resource inventory (non NI 43-101 compliant) of 466,342 tonnes averaging 7.11 gr/tonne (513,909 tons, 0.21oz/t) to a depth of 200 meters (600 feet).

3) Sorel-Trois Rivieres natural gas property, St. Lawrence Lowlands, Quebec

a) Altai owns 100% of the Sorel-Trois Rivieres natural gas property ("Property") of 7 oil and gas and reservoir permits of 114,344 Ha (282,544 acres) and 15% gross royalty in the permit of 13,290 Ha (32,840 acres) in which Talisman Energy Canada ("Talisman") has 100% working interest ("Talisman Permit") and which is continuous to the Altai permits.

Altai's 100% owned property is the largest uncommitted (not farmed-out) contiguous land block of 282,544 acres (among the junior public companies) in the St. Lawrence Lowlands Utica Shale Gas Fairway. Including the 15% gross royalty in the Talisman Permit, the Company holds varying interests in a land package consisting of 315,380 acres.

(i) St. Lawrence Lowlands is an emerging major gas play aggregating to approximately 1.5 million acres. In the last four years about 30 wells were drilled in the play all with gas discoveries. Utica shales (about 150 meters or thicker) and overlying Lorraine shales-siltstones (500 to 2,000 meters) contain gas and both formations are amenable to fracture stimulation for enhanced gas flow. Approximately 220,000 acres of Altai lands are in Tier 2 area (west of Yamaska Fault) where the depth to Utica is less than 1,000 meters. The remainder (60,000 acres) are in Tier 1 area where Utica is at a depth of 1,100 to 1,500 meters. Forest Oil, which controls the lands adjacent to Altai lands to the east, north and south, estimates (in 2008) that recoverable gas potential of the Utica Formation in its land is 93 billion cubic feet (Bcf) per section (640 acres). Talisman (in 2008) puts the recoverable gas potential of Utica at 25 to 160 Bcf per section and that of Lorraine at 50 to 190 Bcf per section.

Gas in St. Lawrence Lowlands enjoys price advantage for producers compared to Western Canadian gas due to its proximity to user markets in Quebec and Eastern United States. To date there is no producing module in the Lowlands, hence precise economics of this emerging gas play are not known.

(ii) A carbonate gas target has been delineated. The target is a NE trending fault zone 34 kilometers long averaging one kilometer in width, all on land. The zone appears as a depression (a graben) at the top of Trenton formation of Ordovician age. The depression is interpreted by Paul Laroche, P.Eng., Consultant, to have been caused by hydrothermal dolomitization of fractured limestones (hydrothermal dolomite reservoir facies). Targets in similar geological setting along former shoreline of Cambro-Ordovician craton have produced large quantities of gas and oil in Ohio, Michigan, New York State,

West Virginia and elsewhere in the Appalachians. Such targets are long and narrow. In 2006 Talisman Energy Canada drilled one well in one Altai permit aimed at the collapse zone at the top of Trenton-Black River. No gas was found at the target but "good gas shows" were present in the stratigraphically higher Utica Shales. In addition to the Trenton formation, the stratigraphically lower Chazy, Beekmantown and Potsdam formations have gas showings elsewhere in the Appalachians. Altai's deep gas target (the depression) may extend for another 20 kilometers to the SW, all in Altai's permits.

Altai's land package is adjacent and central to the properties of Gastern Inc., Questerre Energy Corporation and Junex Inc most of which are optioned either to Forest Oil or Talisman Energy. Community for the first performance of the respinance of the place of median median and be well continued for the contract of

(iv) Development of a gas storage site or sale of storage rights is also one of the important aims of the Sorel-Trois Rivieres property for Altai. the production has a constitution

In 2009 the Company completed an additional seismic survey mostly in the eastern part of Permits 2009PG537 and 2009PG538. The survey results were interpreted by Paul Laroche, P. Eng. and P. Géologist, consultant to the Company who was also in charge of the quality control during the field survey. He concluded that 60,000 acres of the survey area are in Tier 1 area east of Yamaska Fault, hence in the "Utica Fairway". He estimated the depth to Utica varying from 1,150 meters to about 1,500 meters and its thickness at 195 to 220 meters. The overlying lower Lorraine Shales, 180 meters in thickness, are considered by the consultant, to be prospective for gas.

This seismic survey together with seismic surveys carried out earlier by the Company are adequate for the planning of a first phase drilling program of at least two wells, one in each of Tier 1 and Tier 2 dreas. However, the state of the

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(1) At the end of June 2010, Altai abandoned the 100% owned gas permit of 24,042 hectares (59,408 acres) at Sept-lies, Quebec North which is approximately 750 km north-east of the Company's Sorel-Trois Rivieres gas property.

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(2) In 2009, Altai completed a resistivity survey over the area of previous gas discovery. The resistivity survey was aimed at mapping the extent, if any, of the gas bearing strata. The gas in recent unconsolidated sediments are in sands and gravels with clay cover. The resistivity survey suggests that in the area of gas showing the clay layer directly overlies the Precambrian basement, hence the gas potential of the property is thought to be low. The property was abandoned at the anniversary date of the permit.

Altai Philippines Mining Corporation ("Altai Philippines")

The Company has a 40% equity interest in Altai Philippines Mining Corporation ("Altai Philippines") and has a direct 10% Net Smelter Return (NSR) royalty interest in all properties in which Altai Philippines has an interest. Alternatively, the Company may elect to give up its 10% NSR interest in return for building and owning 80% of the ore processing facilities; in such event, the Company will buy the ore from Altai Philippines by paying a royalty equal to 10% of the direct mining costs of the ore delivered to the processing facilities. Altai Philippines will subsequently have 20% ownership of the processing plant.

In the event that properties are joint-ventured, leased or sold to a third party interest(s), 60% of residual proceeds will accrue to the Company until it recovers its expenditures and outlays and 40% to Attal Philippines. After recovery of the Company's expenditures, proceeds will be shared equally.

The properties of Altai Philippines are Sibuyan Island lateritic nickel-cobalt property, Negros Island sulfur property and Latruy Island gold property.

- In November 2004, Altai Philippines entered into an option agreement with a consortium headed by Sunshine Gold Pty Ltd ("Sunshine") of Australia on Altai Philippines' nickel laterite property on Sibuyan Island ("Sibuyan property"). Under the option agreement, Sunshine would have ninety days from the date of Altai Philippines obtaining approval of the Mineral Production Sharing Agreement (MPSA) application for the property to exercise the option to purchase the Sibuyan property for C\$1.3 million. Sunshine was to fund the expenses for the MPSA application. As at June 30, 2010 and to date, the transaction has not yet been closed.
- In June 2008, Altai Philippines entered into an agreement to grant an option to buy its Negros Island sulphur property to a private Philippine company (the "Optionee") for US\$1,500,000 payable in three instalments over a maximum of 6 years (US\$500,000 every two years or less) subject to certain approvals of the Philippine Government. As at June 30, 2010 and to date, no instalment payment has been made by the Optionee.

Though there are outstanding sale option agreements on two of the three properties of Altai Philippines, there is uncertainty in the timing of the transaction closings, if any. Therefore at end of 2008 the Company wrote down its investment in and its note receivable from Altai Philippines to \$1 each.

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ADOPTION OF NEW ACCOUNTING STANDARDS

The Company has not adopted any new accounting standards during the current period.

FUTURE ACCOUNTING CHANGES

1) International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standard Board confirmed the changeover from Canadian GAAP to JERS to be applied to publicly accountable enterprises effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2011.

The Company is continuing to assess the impact on its consolidated financial statements and is developing an implementation plan.

Business Combinations (Section 1582), Consolidated Financial Statements (Section 1601), and Non-controlling interests (Section 1602) In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, ("Section 1582"), 1601, Consolidated Financial Statements, ("Section 1601") and 1602, Non-controlling Interests, ("Section 1602") which replace CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"), and will be applicable to business combinations with acquisition dates on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements, and will be applicable to the Company's interim and annual consolidated financial statements for the fiscal year beginning January 1, 2011. Early adoption of this section is permitted. If the Company chooses to early adopt any one of these sections, the other two sections must also be adopted at the same time. The Company is evaluating the impact of the adoption of these sections on its future acquisitions.

OUTLOOK FOR 2010 AND BEYOND
In 2010, positive results of various drilled wells at the St. Lawrence Lowlands Utica Shale Fairway have somewhat lifted the share price of the Company in the first quarter of the year, Interest in natural gas projects subsided considerably after the first quarters 1.05 - 2.55 has been been again.

or Total or Paragonal and or Telling and Receipts Recent purchases and joint ventures of major companies in the US plays, together with the increased well drilling, both vertical and horizontal wells, by Talisman and other players in the St. Lawrence Lowlands Utica Shale Gas Fairway so far failed to increase market interest in the St. Lawrence Lowlands shale gas play. We believe that in the long run, if and when (hopefully in the near future) oil and gas are proven in Quebec and in Altai's Sorel-Trois Rivieres gas property, our Property will be in a much more favourable position compared to projects in much more remote parts of North America due to its proximity to the Pipelines and the user markets, especially Quebec. In this connection, the recently publicized decision of Talisman and its minority partner, Questerre Energy Inc., to put one or more horizontal wells in this play into production in 2011 is a very positive development. It will not only demonstrate the commerciality of the play, but will help to determine the economic parameters.

Preservation of the capital remains a priority of the Company. Yield on low risk short term papers remains very low due to the all time low interest rates throughout most parts of the world versus the much higher yield for the much more risky papers. Despite that, the Company prefers and continues to invest the greater part of its cash in secured short term papers, such as guaranteed investment certificates which offer very low yields.

Since July 2009 the Company has invested part of its cash in shares of Canadian major banks and relatively stable companies which are liquid and regularly pay dividends or interests. As such, the Company's marketable securities investment is liquid and reasonably safe. The income from these investments are higher than that of the secured short term papers.

The Company continually monitors the investment environment and the availability of low risk investment opportunities for its cash investment purpose, and

adjusts its investment accordingly.

Since Altai does not have any debt nor committed capital expenditures, has relatively low administration expenses and liquid investment, the Company will Brown Control Service Control Control have no liquidity issues in the next few years.

In April 2010, the Company extended the warrant term by one year to May 4, 2011 for the 1,000,000 common share purchase warrants issued pursuant to the private placement of 2,000,000 common share units at \$0.95 per unit closed on May 5, 2008 with warrant exercise price of \$1.25 per common share and original one year warrant expiry date of May 4, 2009 which was subsequently extended to May 4, 2010. All other terms and conditions of the warrants

remain the same.

600,000 and 3,500,000 share purchase warrants with respective warrant exercise prices of \$0.60 per common share and \$0.65 per common share, all with expiry date of April 10, 2010, have expired without being exercised.

On May 3, 2010 the 2002 Stock Option Plan was discontinued, terminated, and replaced by the 2010 Stock Option Plan which authorizes the Board to grant up to 4,950,000 option shares to directors, officers, employees and consultants of the Company or of its subsidiaries. The 1,220,000 stock options outstanding as at May 3, 2010 granted under the 2002 Stock Option Plan remain in full force until they are exercised, expired or cancelled.

Over the next twelve months, the Company's efforts will remain focused on exploring and developing the Sorel-Trois Rivieres gas property in the St. Lawrence Lowlands, which has been significantly enhanced by Forest Oil's discovery referred to in their press release of April 1, 2008 and those of Talisman Energy Canada and other players in the Fairway. In order to accomplish this task, the Company will upgrade its management by hiring new personnel and adding further capabilities to its board. Altai intends to drill, frac and test at least two wells, one in each of Tier 1 and Tier 2 areas. Altai had planned a financing in the spring of 2010 followed by drilling in the fall. This was postponed due to deteriorating market conditions for gas projects and our share price. Eventually we will implement the program hopefully with acceptable dilution to shareholders' equity. The Company will also carry out resistivity surveys in thick overburden area to the west of city of Trois Rivieres orientated to gas targets in recent sands and gravels. Such targets, similar to those found in Altai permits under the Lake St. Pierre to the south constitute excellent pic-shaving gas storage reservoirs similar to the adjacent Intragaz facilities the sign of the property of the majority of the state of to the west.

The Company intends to raise funds for its Sorel-Trois Rivieres gas property exploration work through equity financing.

At the 2010 Annual Meeting of the Shareholders of the Company held on June 21, 2010 in Toronto, the following directors were re-elected/elected: Dr. Niyazi Kacira, as President, CEO and Director, along with Dr. K. Sethu Raman, Rejean Paul, P. Eng., Dr. Didier Pomerleau and Marc-Andre Lavoie as Directors, and Maria Au, MBA, CGA as Secretary-Treasurer.

OFF-BALANCE SHEET TRANSACTIONS

The company does not have any off-balance sheet arrangements.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2010

- a) For the six months ended June 30, 2010, the Company had a net loss of \$296,958. Total expenses of \$346,335 (\$58,973 administrative expenses and \$287,362 non-cash expenses including \$11,775 loss on the sale of marketable securities) were offset by investment income of \$49,377.
- b) The marketable securities held by Altai comprising shares of Canadian major banks and relatively stable companies denominated in Canadian currency are liquid. A small portion of the marketable securities are shares received by the Company pursuant to previous option agreements. The overall market value of the marketable securities has increased slightly over the total cost. All shares have been adjusted to their fair market values as at June 30, i en de 1904 - Me CND Nins**eeu Handbork S**e daans 1680, 1650 ee 1907. 21 ee ee ee ee ee ee eechtoling Haarente, 1750 ee ee ee ee ee ee ee 2010: The second of the control of t

The Company has a 5 year office lease starting from July 1, 2008. The basic rent per month is \$1,218 and the 2010 additional rent per month is approximately

\$1,514. The lease includes a 12 months Rent Free Period spread over the first three years of the lease.

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RELATED PARTY TRANSACTIONS

\$1,000 pt + 1,000 pt

a) Consulting services were provided by two officers. Fees for such services amounted to \$46,000 (2009 – \$36,000). These fees have been allocated to administrative expenses (\$4.200) and resource properties (\$4.800) and resource pro administrative expenses (\$4,200) and resource properties (\$41,800).

THAT HE REGUER SAME CERTIFICATE

PRESENTATION OF INTERIM FINANCIAL STATEMENTS AND INTERIM MD&A

Management, including the President and the Secretary-Treasurer, have reviewed the interim financial statements and the interim MD&A (together the "interim filings") for the three months ended June 30, 2010.

Based on the knowledge of the President and the Secretary-Treasurer, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim fillings. and the commend of bandyon total isholaring destruct time of the closure of the model of the control of the con

Based on the knowledge of the President and the Secretary-Treasurer, having exercised reasonable diligence, the interim financial statements together with other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in the interim filings.

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OUTSTANDING SHARES

the state of the s As of July 21, 2010, the Company's share capital is as following:

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	Basic	vveighted average	
Issued and outstanding common shares	49,513,552	49,513,552	
Stock options	1,220,000	1,064,932	
Warrants	1,000,000	1,000,000	
Common shares fully diluted	51,733,552	51,578,484	

RECALL OF BUILDING

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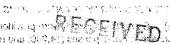
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CERTIFICATION OF INTERIMFILINGS



VENTURE ISSUER BASIC CERTIFICATE

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I, Niyazi Kacira, President and CEO of Altai Resources Inc., certify the following

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- Circle and technic attractive and the property of the con-Review: I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of Altai 1. Resources Inc. (the "issuer") for the interim period ended June 30, 2010. A Carb bay soft soft and to be desired as the carbon and the carbon as a soft and the carbon and the carbon as a soft and the carbon as a soft as ty vi
- No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not 2. contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings. If an arrange is a feet income the agend made of the arrange is a feet of t
- Fair presentation: Based on my knowledge, having exercised reasonable diligence, the interim financial statements 3. together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim

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Date: July 26, 2010

"Niyazi Kacira"

Signature

President and CEO

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed. summarized and reported within the time periods specified in securities legislation; and
- a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

FORM 52-109FV2

CERTIFICATION OF INTERIM FILINGS

VENTURE ISSUER BASIC CERTIFICATE

- I, Maria Au, Secretary-Treasurer of Altai Resources Inc., certify the following:
- 1. **Review:** I have reviewed the interim financial statements and interim MD&A (together, the "interim filings") of **Altai Resources Inc.** (the "issuer") for the interim period ended **June 30, 2010**.
- 2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
- 3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date:	July 26, 2010
"Maria	Au"
Signatu	ire arv-Treasurer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.