



**ALTURAS MINERALS CORP.**  
**Management Discussion and Analysis**  
**For the three and six months ended March 31, 2009**

The following is management's discussion and analysis of the financial condition and results of operations of Alturas Minerals Corp., (the "**Company**", or "**Alturas**"), for the three months ended March 31, 2009 ("**second quarter 2009**") and the six months ended March 31, 2009, and its financial position as at March 31, 2009, and should be read in conjunction with the Company's audited consolidated financial statements for 2008, including the notes thereto. The comparative reporting periods are the three months ended December 31, 2008 ("**second quarter 2008**") and the six months ended March 31, 2008.

The Company's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**"). All figures are in US dollars, unless otherwise noted.

Additional information relating to the Company and subsequent press releases, have been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and is available online at [www.sedar.com](http://www.sedar.com) or at the Company's website at [www.alturasminerals.com](http://www.alturasminerals.com).

The Company's shares are listed on the Toronto Stock Exchange Venture Exchange (the "**TSX-V**") under the trading symbol "ALT" and on the Bolsa de Valores de Lima (Lima Stock Exchange) (the "**BVL**") under the symbol "ALT".

The date of this management's discussion and analysis is May 15, 2009.

**Cautionary Note Regarding Forward-looking Information and Statements**

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Certain information included in this management's discussion and analysis may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

For expansion of certain risks and uncertainties that could contribute to a difference in results, please review those risks listed under the heading "Risks Factors" in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events



or results not to be as anticipated, estimated or intended. Forward-looking statements are not guarantees of future performance and there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

### **Qualified Person**

The Company relies on Dr. Paul Pearson, F. AUSIMM, President and Chief Executive Officer of the Company, as the Qualified Person as defined under National Instrument 43-101. Dr. Pearson has read and approved the technical and scientific information contained in this MD&A. Disclosure on mineralization on adjacent properties has not been verified by Dr. Pearson and is not necessarily indicative of the Company's anticipated results. Where provided, potential quantity and grade is conceptual in nature as the Company has not conducted sufficient exploration to define resources and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

## **OVERALL PERFORMANCE**

### **Principal Business and Corporate History**

Alturas is a Canadian corporation, and is the indirect parent of the Peruvian company, Alturas Minerals S.A. ("Alturas Peru"). Alturas Peru has been actively exploring various mineral projects in Peru since January 2004. The principal assets of Alturas are the four drill-ready mineral exploration projects described below. In addition, Alturas Peru has interests in seven other exploration projects in Peru. Alturas' exploration strategy is focused on the discovery of large epithermal gold mineralized deposits and copper-gold porphyry/skarn deposits.

### **Corporate Developments**

The Company is taking firm measures in response to its inability to raise funding during the global financial and commodity price crisis. Management is strongly committed to ensuring that the Company survives the current market uncertainty and is implementing a strategy to work towards this goal. The Company has recently reduced expenditure to a minimum through significant staff and cost reductions in Canada and Peru, and in addition has temporarily deactivated exploration activity on its projects. However, the claim of Inversiones Sol y C.S.A.C ("Inversiones") (refer discussion below) - taken with current market conditions and the Company's inability to raise additional funds -substantially increases concerns regarding the ability of the Company to raise additional capital and to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and corporate requirements and eventually to generate positive cash flows, either from operations or sale of properties.

The realization of shareholder value will continue to be our key objective, and continuing advancement of the Company's projects will be fundamental to this objective. Although the current cash position of the Company is insufficient to cover further drilling programs, the Company is actively seeking to achieve this end through strategic partnering for some projects in Peru. The Company is aggressively pursuing such arrangements on several of its main projects, including the Huajoto gold-silver-zinc-REE project, the Utupara / Chapi Chapi Utupara copper-gold project, the Sombrero copper-gold project, the Ccaccapaqui high sulfidation gold-silver project, the Baños del Indio project, the Callejones gold silver-zinc-copper project, the Pampa Colorada copper-gold project and other less advanced prospects.

Significant corporate developments over the course of the second quarter 2009 are presented below.



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Contract dispute with Inversiones Sol y C S.A.C

In the fourth quarter of 2008, a contract dispute arose between the Company and Inversiones regarding the Company's 2,000 hectare Huilacollo high-sulfidation epithermal gold project (the "Huilacollo Project") in Southern Peru. The Huilacollo Project is under option to Alturas from Inversiones pursuant to an option agreement dated August 25, 2004, as amended. The agreement is for a term of five years.

Under the Agreement, a payment of US\$1.2 million was due to be paid to Inversiones on August 25, 2008. Prior to that date, the Company advised Inversiones of its request for an extension of this date. Earlier requests for similar extensions had been agreed to by Inversiones. Negotiations ensued, and in the third week of August, the Company put forward a final proposal for a payment of US\$200,000 to extend the date. That proposal was orally accepted, but in a subsequent letter, Inversiones added an additional term – that notwithstanding the extension, the US\$1.2 million was earned and would have to be paid rather than being a matter at the discretion of the Company.

The Company rejected Inversiones' position and stated that the accepted extension included the ability of the Company to walk away from the Project, and not make the US\$1.2 million payment. However, negotiations continue between the parties on this matter. The Company denies Inversiones' claim based on the agreed extension, and has engaged counsel for the Company to vigorously dispute any claim.

As of the date hereof, no proceedings have been commenced by either party, and it is premature to determine the timing or potential outcome of any such proceedings.

Corporate reorganization

On March 19, 2009 the company announced that Mr. Paul Pearson was appointed to the position of President and Chief Executive Officer of the company effective April 1, 2009. Mr. Pearson will also retain his position as a director of the company.

Mr. Pearson will succeed Mr. Miguel Cardozo, who will take up the position of Chairman of the Board of Directors on the same date. The Board of Directors has also accepted the resignation of Augusto Baertl as Chairman. Mr. Baertl will remain with Alturas as an independent member of the Board of Directors.

The changes implemented by Alturas' Board of Directors are part the Company's strategy to take the Company through the current period of market uncertainty. The reorganization will allow the company to preserve the collective skills of its team while reducing costs to a minimum.

Director resignation

Mr. Craig Williams resigned as Director of the Company, effective March 5, 2009.

**Projects and Recent Developments**

Alturas' principal assets are four drill-ready mineral exploration projects which include the the Chapi Chapi - Utupara Copper-Gold Project, the Sombrero Copper-Gold Project, the Ccaccapaqui Gold-Silver Project and the Huajoto Gold-Silver-Zinc Project.

Initial drilling executed by the Company in the Huajoto and Utupara project areas have reported encouraging mineralized intercepts and follow-up drilling is required in both cases. Highly anomalous geochemical and geophysical targets have also been identified in the Chapi Chapi and Sombrero properties, which have been recommended for drilling. A more comprehensive description of these projects was presented in the Management Discussion and Analysis for the year ended September 30, 2008.



In addition to its four main properties described above, Alturas has the rights to explore another seven projects comprising gold and copper-gold targets elsewhere in Peru.

### ***Principal Properties***

#### Chapi Chapi - Utupara Copper-Gold Project, Peru

This project is located within the emerging Apurimac copper-gold belt in southern Peru that hosts important deposits such as Tintaya and Las Bambas (Xstrata), Los Chancas (Southern Copper Corporation) and numerous exploration projects. The Utupara property block is held 100% by Alturas and the Company has entered into a letter agreement with Minera IRL Limited, a Peruvian company listed on the London Stock Exchange ("IRL"), regarding its adjacent Chapi-Chapi copper-gold Property. Under the terms of the letter agreement IRL and Alturas have entered into a joint venture, with IRL at 20% and Alturas at 80%. In order to maintain its interest, Alturas must complete drilling of 20,000 meters on the combined Chapi-Chapi and Utupara properties, and conduct a scoping study, all at its expense.

A phase one drilling program of twenty-one core holes totaling 5,016 meters was completed by the Company at Utupara. At the Cachorro Norte and Sur targets, widely spaced drill holes intersected disseminated low-grade mineralization over wide intervals extending up to 410 meters, with several tens of meter intervals of higher copper and gold grades (greater than 0.25 % copper and 0.10 grams/tonne gold) within intrusive breccias of the Cachorro Corridor.

The Chapi-Chapi area hosts a large copper-gold-molybdenum exoskarn and endoskarn system hosted by limestones cut by dioritic to monzonitic stocks. Previous small scale copper and gold mining of oxidized magnetite skarn bodies over an area of 3 x 2 kilometres indicates the presence of high-grade material close to surface. Between 2004 and 2005, IRL conducted reconnaissance exploration and identified several large east-west magnetic anomalies up to two kilometres long extending from the currently known mineralized zones into areas of poor outcrop, highlighting the potential to identify concealed extensions of the skarn zones. In addition, extensive alteration of the intrusive stocks indicates the potential to identify porphyry-style mineralization.

In addition, Alturas exploration work has identified a northeast-striking copper-gold mineralized trend greater than 3,000 meters in length and up to 250 meters wide (the "Chapi Chapi Corridor"). Best copper-gold intervals from geochemical sampling of two separate trenches include continuous sections of 18.0 meters assaying 12.7% copper and 0.13 grams/tonne gold, and 18.0 meters assaying 1.58% copper and 2.84 grams/tonne gold, in an area of historical copper-gold workings in skarns. Furthermore, in an adjacent zone situated to the southeast of the Chapi Chapi Corridor Alturas has identified a new and separate disseminated gold target (Huarajo), manifest as a gold-in-soils anomaly greater than 1.1 by 1.1 kilometers in dimension.

#### Sombrero Copper-Gold Project, Peru

At the Sombrero copper-gold project in south-central Peru within a northwestern extension of the Apurimac copper-gold belt mentioned above. Alturas has claimed 80% of the prospective ground covering a large skarn system. Additionally, the company has entered into negotiations with the local firm Aceros Arequipa to acquire an underlying property comprising copper and gold anomalous magnetite skarn.

Geological mapping and geochemical sampling were completed over the project in 2007, and high-resolution ground magnetic, and more recently induced polarization, surveys have been completed during 2008.

A limited outcrop sampling program (96 samples) conducted by Alturas identified strong copper gold molybdenum values from oxidized magnetite skarn bodies. Several of the samples attain values in excess



of 1% copper and in excess of 1 gram per tonne gold (maximum values 9.09% copper, 5.88 grams/tonne gold).

The induced polarization survey completed in the last quarter of 2008 has defined two anomaly complexes centered approximately 3.0 kilometers apart beneath the same strong copper-gold anomalies and oxidized skarns. The complexes are 1.5 and 1.8 kilometers in diameter and consist of several individual high chargeability anomalies between 100 and 400 meters in diameter, mostly flanked or overlap by magnetic anomalies previously defined in the ground magnetic survey. The combined magnetic/chargeability anomaly complexes are interpreted as zones of disseminated sulfides formed within contact skarns and endoskarns.

#### Ccaccapaqui High-Sulfidation Gold-Silver Project

This 600 hectare property is located in south-central Peru, some 460 kilometers southeast of Lima in the department of Ayacucho. The property is located within the same volcanic belt that hosts major high- and low-sulfidation epithermal gold-silver deposits such as Orcapampa, Arcata, Ares, Antapite and Poracota. Buenaventura-Newmont's 0.5 million ounce Brea Pampa high sulfidation gold deposit lies only 25 kilometers to the southeast of the Ccaccapaqui project.

Alturas has reported a significant epithermal system featuring preserved siliceous sinters and structurally-controlled zones of higher gold and silver grade on surface, reported in a press release dated June 18, 2008. Strong bedrock gold and silver values are reported from massive and banded siliceous alteration, and alunite-silica breccias, within favourable volcanic stratigraphy and regional-scale structures. The features are consistent with the upper levels of a high-sulfidation epithermal system. Systematic rock sampling (219 samples) of the favourable outcropping alteration yielded peak values up to 3.2 grams/tonne gold and 194 grams/tonne silver. From the 219 samples taken, 64 reported values higher than 0.1 g/t gold, of which 24 assayed higher than 0.5 g/t gold and 8 samples returned values between 1.0 and 3.2 g/t gold. Some 43 samples reported anomalous silver values between 1 g/t and 194 g/t silver.

The mineralized silica and alunite alteration outcrops in small erosional windows but marks a coherent anomaly of +1.50 x 0.50 kilometers in dimension. The system is still open at both ends, passing under younger cover and re-emerging in the northwest, extending the size potential to more than 2.50 kilometers of strike length.

#### Huajoto Gold-Silver-Zinc-REE Project, Peru

The Huajoto Property is located in the historic mining district of Huancavelica in central Peru and is subject to a joint venture between Alturas and Teck Cominco Peru S.R.L. Alturas has been granted an option to acquire an initial 65% interest by investing \$1.5 million on the properties and Teck Cominco has the option to earn to earn back an additional 30% of the project by completing a feasibility study.

There are indications of two different styles of mineralization on the Huajoto Property: high-sulfidation epithermal gold mineralization (La Virgen target) and zinc skarn and replacement (Cathy-Pablo target). Alturas initiated an intensive surface exploration program in August 2007 followed up by a first phase drilling campaign of these targets comprising 2,500 meters that was executed in the third quarter of 2008.

Best results reported were from drill hole JOT-08-01, which intersected a near surface 106.5 meter thick polymetallic mineralized package between 11.5 and 118.0 meters averaged 1.64% zinc and 0.09% copper. This package includes an upper section of 48.5 meters assaying 2.24% zinc and 0.13% copper from 11.5 to 60.0 meters and a lower section of 17.0 meters assaying 3.26% zinc and 0.18% copper from 101.0 to 118.0 meters. Within these two sections, higher grade intervals of 5.80 meters assaying 3.48% zinc and 0.18% copper, and 4.40 meters assaying 7.28% zinc and 0.37% copper, were encountered.



It is worthwhile noting that the majority of the La Virgen gold target remains untested, as most drill holes in the recently completed program were directed at the Caty-Pablo zinc prospect. Several coincident gold-in-soils geochemistry, and high resistivity geophysical, anomalies have been targeted for followup drilling.

Other projects

Baños del Indio High-Sulfidation Gold-Silver Project

A 4,709 meter reverse circulation drilling program was completed in early 2008 at the Baños del Indio project in southern Peru, comprising 18 widely spaced holes drilled to depths of between 169 and 350 meters, targeting multiple combinations of geochemical, geophysical and structural anomalies in three epithermal centers. While the program successfully intersected extensive zones of siliceous alteration in most drill holes as predicted from the geological model developed by Alturas, results did not meet expectations. The Company still believes in the potential of this zone and is completing a technical review of the project to decide on the next steps for this project.

Callejones Gold-Silver-Zinc-Copper Project

This property comprises an 8 kilometers-long, NE-SW-striking belt of strongly altered felsic volcanic rocks located in northern Peru, with strong copper, zinc, gold and silver anomalism over large areas. The area was previously explored and shallowly drilled for gold by third parties. However, Alturas assessment suggests a Volcanogenic Massive Sulphide (VMS) search model. Potential massive sulphide bodies are likely to be concealed by the overlying andesite sequence.

Pampa Colorada Copper-Gold Project

At this project located in northern Peru the identification of a largely concealed iron oxide copper-gold (IOCG) system has been indicated by the presence of potassically altered intrusive rocks and extensive iron ore (magnetite) mineralization. Gold geochemical anomalism has also been reported from altered intrusive and massive magnetite.

Detailed exploration and drilling results are available on the Company's website at [www.alturasminerals.com](http://www.alturasminerals.com)

**SELECTED QUARTERLY AND ANNUAL INFORMATION**

	Three Months Ended		Year Ended
	March 31, 2009	March 31, 2008	September 2008
Total Revenues	\$ Nil	\$ Nil	\$ Nil
Net Loss	(212,155)	(1,491,745)	(7,117,720)
Loss Per Share	(0.00)	(0.03)	(0.13)
Cash	1,649,511	4,990,344	2,345,443
Total Assets	1,891,261	5,362,675	2,817,400
Total Liabilities	1,650,690	506,326	1,820,571
Shareholders' Equity	240,571	4,856,349	996,829
General and Administration	184,621	260,551	1,005,382
Exploration Expenses	17,167	1,170,567	5,604,202



	Three Months Ended		Year Ended
	March 31, 2009	March 31, 2008	September 2008
Stock based compensation	34,185	122,071	386,375

## RESULTS OF OPERATIONS

The Company has no operating revenues and relies on external financings to generate capital. As a result of its activities, Alturas continues to incur annual net losses. The Company has significantly curtailed operational activities since September 2008 and is not currently engaged in any significant exploration activity. As a result, comparative results and variances are significantly impacted and almost all variances can be attributed to this lower level of operational activity.

For the second quarter 2009, Alturas incurred a net loss of \$212,155 compared to \$1,491,745 for the second quarter 2008. The reduction in net loss is predominantly attributable to exploration expenditures of \$17,167 for the second quarter 2009, compared with \$1,170,567 for the second quarter 2008.

General office and administration expenses for the first quarter 2009 and first quarter 2008 are reflected in the following table:

General and Administration Subcategories	3 Months ended March 31, 2009	6 Months ended March 31, 2009
Management Fees	\$ 57,083	\$ 57,083
Administrative	3,599	9,509
Bank Fees and Charges	771	2,095
Consulting Fees	11,322	25,013
Directors Fees	29,333	29,333
Investor Relations	2,578	11,953
Insurance	6,969	14,019
Professional Fees	23,316	133,336
Stock Exchanges and Listing Charges	9,675	13,748
Rental	9,147	18,930
Salaries and Wages	18,817	102,365
Telephone	2,806	7,387
Travel	7,103	9,136
Tax Payments	577	4,907
Other	395	2,357
Training and development	1,130	1,460
Vat credit / Recoveries	-	(14,139)
	<b>\$ 184,621</b>	<b>\$ 428,492</b>

General office and administration expenses for the three months ended March 31, 2008 and for the six months ended March 31, 2008 are reflected in the following table.

General and Administration Subcategories	3 Months ended March 31, 2008	6 Months ended March 31, 2008
Administrative	\$ 21,905	\$ 30,588



<b>General and Administration Subcategories</b>	<b>3 Months ended March 31, 2008</b>	<b>6 Months ended March 31, 2008</b>
Bank Fees and Charges	2,553	6,123
Consulting Fees	24,703	44,325
Investor Relations	62,911	125,316
Insurance	9,286	18,720
Professional Fees	84,460	163,145
Stock Exchanges Charges	11,908	14,929
Rental	11,184	17,667
Salaries and Wages	8,255	18,226
Telephone	3,710	7,017
Travel	16,065	46,952
Tax Payments	595	1,290
Other	10,801	27,108
Training and development	2,044	2,044
VAT credit	(9,829)	(24,013)
	<b>\$ 260,551</b>	<b>\$ 499,437</b>

The Company continues to assess administration costs to ensure that cost effective choices are being made for day-to-day management of the office and administrative activities.

### Cash Flows

Cash provided by operating activities for the second quarter 2009 of \$8,333, compares with cash used in operating activities of \$1,430,593 for the second quarter 2008. As discussed above under operations, the variance is predominantly attributable to the lower level of exploration activity undertaken during the second quarter 2009, compared with active operations during the second quarter 2008. In addition, the positive operational cash flow for the second quarter 2009 is attributable to the Company receiving approximately \$250,000 in VAT credits during this period.

Cash used in investment activities for the first quarter 2009 was \$Nil, compared with \$1,584 for the second quarter 2008, used for minor purchases of property, plant and equipment intended for mineral exploration purposes.

Cash flow used in operating activities for the six months ended March 31, 2009 of \$702,094, compares with \$2,892,027 for the corresponding period last year, again reflecting minimal operational activity during the six months ended March 31, 2009.



## SUMMARY OF QUARTERLY RESULTS

Three Months Ended	Net Revenue \$	Net loss		Exploration Expenses \$	General and Administration \$
		Total \$	Per Share \$		
March 31, 2009	Nil	(212,155)	(0.00)	17,167	184,621
December 31, 2008	Nil	(615,560)	(0.01)	313,048	243,871
September 30, 2008	Nil	(2,465,705)	(0.05)	1,910,088	270,063
June 30, 2008	Nil	(1,556,184)	(0.03)	1,200,915	235,882
March 31, 2008	Nil	(1,491,745)	(0.03)	1,170,567	260,551
December 31, 2007	Nil	(1,604,086)	(0.03)	1,322,632	238,886
September 30, 2007	Nil	(1,430,943)	(0.03)	1,118,413	317,742
June 30, 2007	Nil	(1,532,284)	(0.04)	1,258,223	153,430

## LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2009	September 30, 2008
	\$	\$
<b>Assets</b>		
Cash and cash equivalents	1,649,511	2,345,443
Other current assets	184,554	408,934
Capital assets	57,196	63,023
<b>Total assets</b>	<b>1,891,261</b>	<b>2,817,400</b>
<b>Liabilities</b>		
Current liabilities	1,251,225	1,445,571
Non-current liabilities	375,000	375,000
<b>Total liabilities</b>	<b>1,626,225</b>	<b>1,820,571</b>
Shareholders' equity	265,036	996,829
Outstanding number of shares	53,127,073	53,127,073

### Cash and Cash Equivalents

The reduction in cash and cash equivalents of \$695,932 is due to the fact that no additional funding was acquired by the Company during the six months ended March 31, 2009 and the variance therefore represents the total cash expenditures on exploration activities and corporate expenses during this period.

The Company will require substantial additional funds to further explore and, if warranted, develop one or more of its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to continue as a going concern and carry out the completion of its planned exploration activities, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional



financing will result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company will result in substantial dilution to the existing shareholders of the Company.

Various factors including the Company's exploration results could cause significant fluctuations in the price and volume of trading in the Common Shares of the Company.

Based on preliminary estimates, the Company believes it has sufficient funds to cover corporate expenses until December 31, 2009, assuming the contract dispute with Inversiones is settled, as currently planned.

### Mineral Properties and Other Fixed Assets

Total fixed assets of \$57,196, as at March 31, 2009, compares with \$63,023 as at September 30, 2008.

### Resource Property Expenditures

The following table is a summary of the \$276,514 of expenditures incurred by the Company during the six months ended March 31, 2009 with respect to the Company's resource properties. In addition to the expenses reflected below the Company expensed a further \$53,701 in VAT receivable and option payments, for total exploration expenditures incurred during the six months ended March 31, 2009 of \$330,215.

	Utupara	Chapi Chapi	Huilacollo	Baños del Indio	Huajoto	Sombrero	Regional Exploration
Management fees	\$ -	\$ 9,993	\$ -	\$ -	\$ 34,688	\$ 9,167	\$ 19,476
Data compilation and interpretation	-	-	-	-	-	-	95
Camp cost	-	74,488	619	1,376	15,626	821	562
Mapping	-	10,683	-	-	-	-	-
Sampling	-	16,654	-	-	17,554	-	-
Geophysics	-	-	-	-	8	38,770	7,689
Drilling	-	895	-	-	40,473	-	-
Environmental / Rehabilitation	-	2,844	-	-	-	-	-
Community relations	-	23,888	131	-	-	-	-
Property payments and legal costs	-	-	-	1,213	1,597	-	-
Surface land rental / acquisition	351	-	65	586	4,664	-	-
VAT Recoveries	(56)	(18,151)	(10)	(94)	(29,680)	(6,190)	(4,281)
<b>Total</b>	<b>\$ 295</b>	<b>\$ 121,294</b>	<b>\$ 805</b>	<b>\$ 3,081</b>	<b>\$ 84,930</b>	<b>\$ 42,568</b>	<b>\$ 23,541</b>

The following table is a summary of the \$2,190,718 of exploration expenditures incurred by the Company during the six months ended March 31, 2008 with respect to the Company's resource properties. In



addition to the expenses reflected below the Company expensed a further \$302,481 in VAT receivable, for total exploration expenditures incurred during the six months ended March 31, 2008 of \$2,493,199.

	Utupara	Chapi Chapi	Huilacollo	Baños del Indio	Huajoto	Sombrero	Regional Exploration
Management fees	\$ 93,269	\$ -	\$ -	\$ 93,558	\$ 84,528	\$ -	\$ -
Project management	49,098		256	29,714	43,516	-	117
Data compilation and interpretation	11,763	-	-	37,117	8,057	2,351	179
Surveying	-	-	-		257	11,426	-
Camp cost	385,979	-	5,117	182,364	27,038	563	10,357
Mapping	8,746	-	59	14,524	4,206	-	4,463
Sampling	32,455	-	178	4,157	47,800	-	4,642
Geophysics	35,382	-	-	6,462	198,500	23,407	-
Drilling	657,221	-	-	334,131	-	-	-
Environmental / Rehabilitation	4,703	5,415	-	1,952	12,018	-	-
Community relations	61,607	-	728	466	785	-	-
Property payments and legal costs	2,429	358	10,153	15,506	2,165	3,048	562
Surface land rental / acquisition	-	-	-	208	4,008	-	-
VAT Recoveries	(210,576)	(865)	(1,062)	(107,267)	(59,611)	(6,031)	(2,938)
<b>Total</b>	<b>\$1,132,076</b>	<b>\$ 4,908</b>	<b>\$ 15,429</b>	<b>\$ 612,892</b>	<b>\$ 373,267</b>	<b>\$34,764</b>	<b>\$ 17,382</b>

### Current Assets

Total current assets other than cash of \$184,554 at March 31, 2009 compares with \$408,934 at September 30, 2008, predominantly representing VAT receivables. The Company believes that the amount accrued at September 30, 2008 and March 31, 2009 is wholly receivable, based on receipts from the tax authorities for past VAT claims over the past 12 months. During the second quarter 2009 the Company received approximately \$250,000 in VAT credits.

### Current Liabilities

Included in current liabilities is an accrual of \$1.2 million for the year ended September 30, 2008 relating to a contract dispute with Inversiones Sol (refer "Corporate Developments" section for further discussion).



### Contractual Obligations

The Company's contractual obligations to maintain its mineral property interests over the next five years are as follows:

Property Fees	2009 \$	2010 \$	2011 \$	2012 \$	2013 \$	Total \$
Utupara / Chapi Chapi	34,407	103,681	113,223	113,223	113,223	477,757
Baños del Indio	88,468	138,465	138,465	138,465	138,465	642,328
Huajoto	14,041	32,250	32,250	32,250	32,250	143,041
<b>Total</b>	<b>136,916</b>	<b>274,396</b>	<b>283,938</b>	<b>283,938</b>	<b>283,938</b>	<b>1,263,126</b>

### CAPITAL RESOURCES

#### Common Shares and Convertible Securities Summary

As at March 31, 2009, the Company's share position consisted of:

Shares outstanding	53,127,073
Options outstanding	3,510,000
Warrants outstanding	Nil

As at September 30, 2008, the Company's share position consisted of:

Shares outstanding	53,127,073
Options outstanding	4,000,000
Warrants outstanding	11,400,000

As at May 15, 2009, the Company's share position consisted of:

Shares outstanding	53,127,073
Options outstanding	3,510,000
Warrants outstanding	Nil

#### Shareholders' Equity

Shareholders' equity decreased to \$240,571 as at March 31, 2009 from \$996,829 as at September 30, 2008 due to:

- stock-based compensation of \$71,457
- a net loss for 2008 of (\$827,715)



### Options Outstanding

Expiry Date	No. of Options	Exercise Price
September 10, 2010	50,000	\$0.30
June 14, 2011	1,515,000	\$0.65
January 19, 2012	300,000	\$0.65
June 30, 2012	500,000	\$0.50
September 7, 2012	615,000	\$0.68
September 29, 2012	150,000	\$0.68
March 2, 2013	380,000	\$0.22
<b>Total</b>	<b>3,510,000</b>	

No warrants remain outstanding.

### RELATED PARTY TRANSACTIONS

Exploandes SRL, a company in which a director of the Company is the principal, has provided certain technical, managerial and exploration services to the Company. The cost of such services plus taxes for the three months ended March 31, 2009 was \$702, compared with \$146,754 for the three months ended March 31, 2008. For the six months ended March 31, 2009 the cost of such services was \$93,429 (+ 702), which includes total fees paid to this related party of \$50,301, the remainder of \$43,129 representing exploration services. Exploration services include geological mapping, geochemical sampling, logging of core samples / RC cuttings, project management, GIS services and environmental studies. The cost of such services for the six months ended March 31, 2008 was \$334,182.

This director is also the general manager and director of Explosupport SAC, a company that provides Alturas with logistical support and of which the director's spouse holds a 25 percent beneficial interest. This logistical services company billed Alturas \$Nil during the three and six months ended March 31, 2009 (three and six months ended March 31, 2008: \$174,961 and \$393,741 respectively).

As of March 31, 2009, \$Nil was owed to Exploandes SRL and Explosupport SAC (September 30, 2008: \$Nil).

Oreforming Solutions SRL, a company in which a director of the Company is the principal, has provided certain technical services to the Company. The cost of such services plus taxes for the three months ended March 31, 2009 was \$Nil, compared with \$132,394 for the three months ended March 31, 2008. The cost of such services for the six months ended March 31, 2009 was \$Nil, compared with \$262,486 for the six months ended March 31, 2008.

As of March 31, 2009, \$Nil was owed to Oreforming Solutions SRL (September 30, 2008: \$Nil).

Gestora de Negocios e Inversiones SA, a company in which a director of the Company is the principal, has provided certain technical services to the Company. The cost of such services for the three months ended March 31, 2009 was \$Nil, compared with \$8,568 for the three months ended March 31, 2008. The cost of such services for the six months ended March 31, 2009 was \$2,856, compared with \$17,136 for the six months ended March 31, 2008.

As of March 31, 2009, \$Nil was owed to Gestora de Negocios e Inversiones SA (September 30, 2008: \$Nil).

The Company paid \$8,018 during the first quarter 2009 to a legal firm in which a former director of the Company was a partner, compared with \$34,242 for the three months ended March 31, 2008. The



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Company paid \$8,018 during the six months ended March 31, 2009 to this firm, compared with \$60,932 for the six months ended March 31, 2008.

### **OFF-BALANCE SHEET TRANSACTIONS**

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

### **PROPOSED TRANSACTIONS**

The Company, from time to time, reviews potential merger, acquisition, investment and joint venture opportunities.

### **CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amount of certain revenue and expenses during the period. Actual results could differ significantly from those estimates.

#### **Critical Accounting Estimates and Assumptions**

##### Assessment of recoverability of mineral property costs

The Company's recorded value of its exploration properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

##### Assessment of recoverability of future income tax assets

In preparing the consolidated financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not," a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the consolidated income statement.

##### Estimate of stock based compensation and associated assumptions

The Company recorded stock-based compensation based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model.

##### Assessment of recoverability of receivables including VAT

The carrying amount of accounts receivables, and Value Added Tax are considered representative of their respective values. The Company assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

##### Estimate of fair value of financial instruments

Where the fair value of a financial instrument is different than its carrying value disclosure of the estimated fair value is required. The fair value disclosed is based on management estimates using assumptions such as market interest rates.



### Going concern assumption

The Company's consolidated financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due. In addition to its working capital requirements, the Company must secure sufficient funding to meet its spending and purchase option obligations with respect to its mineral properties in order to keep legal title and advance its projects. There are approximately \$1.3 million in existing commitments as at March 31, 2009. Such circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of properties. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

### **New Accounting Policies**

#### Goodwill and Intangible Assets

CICA Handbook Section 3064, Goodwill and Intangible Assets ("CICA 3064"), results in withdrawal of CICA 3450, Research and Developmental Costs, and amendments to Accounting Guideline 11, Enterprises in the Development Stage and CICA 1000, Financial Statement Concepts. The standard intends to reduce the differences with IFRS in the accounting for intangible assets and results. Under current Canadian standards, more items are recognized as assets than under IFRS. The objectives of CICA 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The new standard takes effect for fiscal years beginning on or after October 1, 2008, with early adoption encouraged. The adoption of this standard had no effect on the Company's interim consolidated financial statements for the second quarter 2009.

### **Future Accounting Changes**

#### International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosure requirements. During the next periods, the Company will develop its internal implementation plan to meet the guidelines of the future reporting requirements.

#### Business Combinations. Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. The



Company is in the process of evaluating the requirements of the new standards. Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, "Consolidated Financial Statements". Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 - Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is evaluating the effects of adopting this standard.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

### **Net Fair Value of Financial Assets and Liabilities**

The Company's financial instruments comprise cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and amount due to Equinox Minerals Limited.

Cash and cash equivalents have been designated as held-for-trading, which are measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities and due to Equinox Minerals Limited are classified as other financial liabilities, which are measured at amortized cost.

### **Financial Instrument Risk Exposures**

It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments and that their fair values approximate their carrying value unless otherwise noted.

## **CONTROLS AND PROCEDURES**

The CEO and CFO have evaluated the effectiveness of the Company's disclosure controls and procedures and assessed the design of the Company's internal controls over financial reporting as of March 31, 2009, pursuant to the requirements of Multilateral Instrument 52-109.

Management has concluded that, as of March 31, 2009, such financial reporting disclosure controls and procedures and the design of the Company's internal controls over financial reporting were effective.

Management is not aware of any changes in its internal controls over financial reporting during the second quarter 2009 that would materially affect, or is reasonably likely to materially affect, its internal controls over financial reporting.

## **OUTLOOK**

Alturas continues to focus exploration on belts in Peru that have already delivered large economic discoveries, mainly within the central and southern parts of the country. In the last two years, since first financing in mid 2006, Alturas has moved forward aggressively taking six of its projects with the best potential into a first phase of systematic anomaly definition and target prioritization, and four of them (Huajoto, Utupara, Baños del Indio and Huilacollo) were taken into a first phase drill testing. Additionally,



three more projects (Chapi Chapi, Sombrero and Ccaccapaqui) have reported encouraging surface exploration results and are ready for a first phase of drilling.

The long-term strategy of the Company is to continue its aggressive exploration program by drilling its best new targets in the Chapi Chapi, Sombrero and Ccaccapaqui projects and to continue drill testing other gold targets in the Huajoto and Baños del Indio projects. However, the current cash position of the company is insufficient to cover these drilling programs and exploration activity in the projects had to be temporarily deactivated. Exploration expenditures have been reduced to property payments and community relations associated with our most valuable assets.

The short term outlook for the Company has been affected by the rapid deterioration of the markets since the fourth quarter of 2008 and the extreme difficulties in obtaining equity financing and the claim of Inversiones Sol in relation to the Huilacollo project. These factors have increased our financial concerns and forced the company to take firm and effective steps to preserve capital. Besides reductions in exploration expenditures, corporate and head office expenditures have been reduced to minimum levels through senior management and staff reductions and cutting back on non-essential corporate costs.

Moreover, discussions with Inversiones Sol are positively progressing and management believes that a negotiated settlement of the dispute in the near future is possible. It should be emphasized that none of the parties have initiated any legal proceedings as the date hereof. At the same time, Management is actively seeking for strategic partnering to fund some of the planned drilling programs mainly in its best gold and copper-gold prospects. Encouraging signs of interest are being received from various major international companies and a number of Confidentiality Agreements have been signed.

All these initiatives together with the intrinsic value of the Company's property portfolio should enhance the ability of Alturas to benefit from funding opportunities that may arise as commodity and equity markets start to recover from the current downturn.

## **RISK FACTORS**

Alturas' business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future.

In addition to other information set forth elsewhere in the financial statements, readers should carefully consider the comprehensive list of risk factors, included in the December 29, 2008 Annual Information Form under "*Risk Factors*". This Annual Information Form is located on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Country Risk**

Over the past 15 years, Peru has become a premier destination for mining companies due to its outstanding mineral potential, impressive mining history and mineral production, steady economic growth and stable investment climate. Peru is the largest gold producer in Latin America and its annual production of more than 6 million ounces of gold places the country among the world's major gold producers. Peru is also the third largest copper producer in the world with over 1.2 billion tons of copper metal output per year, and is listed amongst the top world producers of silver, zinc, lead and tin. The government in Peru has indicated a strong continuing commitment to attracting mining investment. Management firmly believes that Peru continues to be one of the most attractive venues to discover and develop world-class metal deposits.

### **Funding Risk**

There can be no assurance that any funding required by the Company will become available to it, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through



third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.