



ALTURAS MINERALS CORP.

Management Discussion and Analysis

For the three months ended March 31, 2008

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, 2008, and its financial position as at March 31, 2008, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2007, including the notes thereto.

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 or at the Company's website at www.alturasminerals.com.

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

The date of this management's discussion and analysis is May 29, 2008

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, Vice President-Exploration 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 mineral exploration projects described below. In addition, Alturas Peru has interests in ten 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.

On April 10, 2006 Iron Lake Minerals Inc. ("**ILM**"), 6516521 Canada Inc. (a wholly owned subsidiary of ILM), and the former Alturas Minerals Corp. completed a three-cornered amalgamation to form Alturas Holdings Ltd.

Immediately on completion of the amalgamation, ILM was renamed Alturas Minerals Corp. and began trading on the TSX Venture Exchange on April 10, 2006 under the symbol "ALT".

Corporate Developments

During February 2008, Alturas entered into a letter agreement with Minera IRL Limited, a Peruvian company listed on the London Stock Exchange ("**IRL**"), regarding its Chapi-Chapi copper-gold Property. The Chapi-Chapi property is adjacent to Alturas' Utupara copper-gold Project, and effectively doubles the prospective land position subject to exploration in the Apurimac copper-gold skarn belt of south-eastern Peru.

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, such that IRL is carried through this phase. Once Alturas completes its obligations, contributions will then be required by both parties in accordance with their percentage interests, subject to usual dilution. In addition, if IRL dilutes to 5% or less, it may convert its interest to a 2% NSR. Alturas will be operator of the exploration program, and under the joint venture. Work on the Chapi-Chapi property will be part of the overall continuing exploration program of Alturas in this highly prospective copper-gold belt and will share operational synergies with Alturas's Utupara project, where a 5,000 meter drilling program is currently nearing completion.

During March 2008, Alturas granted options to acquire 445,000 common shares of the Company to directors and employees of the Company. The options have a term of 5 years, are exercisable at \$0.22 per



common share, and vest over 3 years, with 1/3 vested immediately, 1/3 one year thereafter, and the final 1/3 one year thereafter.

Projects and Recent Developments

Alturas' principal properties are four mineral exploration projects located in southern Peru, which includes the Huajoto Gold-Silver-Zinc Project, the Baños del Indio Gold Project, the Utupara-Chapi Chapi Copper-Gold Project and the Huilacollo Gold Project.

Since listing on the TSX-V in April 2006, the Company has made significant advances in assessing its project portfolio.

Huajoto Gold-Silver-Zinc-REE Project, Peru

The Huajoto Property is located in the Department of Huancavelica in central Peru and is subject to a joint venture between Alturas and Teck Cominco Peru S.R.L. The joint venture area is comprised of six contiguous concessions with a total area of 3,700 hectares. Each party has contributed claims to the joint venture and Alturas has been granted an option to acquire an initial 65% interest by investing \$1.5 million on the properties over a period of three years. Further funding of \$1.5 million will be on a pro rata basis according to each party's interest over a maximum of 3 additional years. If the joint venture proceeds further, Teck Cominco can elect to earn an additional 30% of the project by completing a feasibility study.

The joint venture covers an area approximately 7.0 kilometers in a north-south direction and 4.5 kilometers in an east-west direction. There are indications of two different styles of mineralization on the Huajoto Property: high-sulfidation epithermal and zinc skarn/replacement. Gold anomalism in soils and rocks is extensive and is intimately associated with both the epithermal and skarn styles. Radiometric anomalies reported from airborne geophysics by Teck-Cominco and strong rare-earth elements anomalism from surface rock geochemistry and previous drilling also required follow up. Re-logging of a key drillhole previously executed by Teck-Cominco indicates that disseminated zinc-rare earth mineralization is concentrated in altered tuff horizons cut by a garnetiferous felsic intrusive. Assay pulps have been sent for further assaying, including uranium, and have returned strongly anomalous values.

An intensive surface exploration program was initiated in August 2007. Strong surface indications of polymetallic mineralization from continuous trench geochemical sampling have been reported. Best results from one trench at the Caty-Pablo prospect included a continuous section of 40.0 meters assaying 2.00% zinc and 0.14% copper, including a section of 4.30 meters assaying 5.26% zinc, 0.27% copper. In addition, rare earth elements and uranium are significantly anomalous in all three trenches analyzed for these elements. The trenches lie on the margin of a 2.5 kilometre diameter, combined gravity and radiometric anomaly defined by recent ground geophysical surveying. In addition, at the La Virgen target immediately to the south, recent work has further defined a +20ppb gold-in-soils anomaly approximately 3.0 x 2.0 kilometers in size, coincident with intense high-sulfidation epithermal alteration of volcanic rocks. Drilling of these targets is programmed to commence late May or early June 2008..

Baños del Indio Gold Project, Peru

The Baños del Indio property hosts a large (>6 x 5 kilometers) epithermal system with at least seven gold- and silver-prospective siliceous alteration centers. Like the nearby Huilacollo property, the strong high-sulfidation alteration and gold anomalism confirm the affinity of this system with large low grade gold deposits of this style elsewhere in Peru.

High grade gold-silver feeder structures were identified in the northern part of the project and were drilled by previous explorers in 1997 with best intercept reporting 6.1 meters averaging 10.75 grams per tonne gold. Alturas' study suggests that these feeder structures underlay, and merge southwards into structurally



higher target areas, where silicified breccia structures showing strong pathfinder element geochemistry signature most likely represent the upper levels of a larger, disseminated epithermal gold-silver system.

Geophysics completed by Alturas provided very encouraging targets, highlighting an area of generally low magnetics and various nested flat-lying resistivity highs centered on the Llaurimorco and Carapiña hydrothermal centers. These highly resistive bodies are interpreted as gold prospective silicic alteration and constitute our primary drill targets. They are approximately 1.0-1.5 kilometers in diameter and extend from surface to 200 to 300 meters depth.

A 4,709 meter reverse circulation drilling program was recently completed at Baños del Indio, comprising 18 widely spaced holes drilled to depths of between 169 and 350 meters, targeting multiple combinations of geochemical, geophysical and structural anomalies in the Honguitos, Llaurimorco and San Benedicto epithermal centers.

The program successfully intersected extensive zones of siliceous alteration in most drill holes as predicted from the geological model developed by Alturas, with scattered anomalous intervals (up to 0.16 grams/tonne gold) of epithermal pathfinder elements (arsenic, antimony, barium, bismuth, mercury, molybdenum, silver), and base metals.

Although our first phase drilling of the northern sector of Baños del Indio project did not intersect economic mineralization, this is a very large sulfidation epithermal system and we have explored only 30% of its total area in this campaign. Drill holes have been spaced widely and most of the targets drilled were blind and conceptual in nature. Nonetheless, we are encouraged by the wide intervals of the prospective siliceous alteration intersected. In several cases, the siliceous alteration has returned anomalous values on gold, silver and other important epithermal pathfinder elements, confirming that we are in the upper levels of a potentially productive system. Alturas is now evaluating the data from the drill program with the aim of refining the target model and developing a second phase drilling program.

Utupara-Chapi Chapi Copper-Gold Project, Peru

The 5,276 hectare Utupara property is held 100% by Alturas and is located within the emerging copper-gold belt in southern Peru that hosts important deposits such as Tintaya and Las Bambas (Xstrata), Los Chancas (Southern Copper Corporation) and new exploration projects like Constancia (Norsemont), Huaquira (Antares Minerals), Antilla and Cotabambas (Panoro), and Pinaya (Acero-Martin).

Alturas has recognized three different styles of copper-gold mineralization on the Utupara property over an area exceeding 4 x 4 kilometers: (i) porphyry style disseminated mineralization; (ii) high-grade breccia pipes and (iii) magnetite-rich skarn bodies. Structurally-controlled gold-silver veins occur in a broad arcuate-shaped zone around the periphery of the porphyry system.

A phase one drilling program of twenty-one core holes totaling 5,016 meters was recently completed at Utupara. At the Cachorro Norte and Sur targets, the Company has completed ten widely spaced drill holes that have 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.

At Cerro Añasino, Alturas has also identified a large zone of contact skarn mineralization exposed over 2 x 1 kilometers exhibiting three discrete zones of strong copper and gold on surface with corresponding geophysical anomalies at depth. At the time of writing, 7 core holes for 1,272 meters have been drilled on this target. In addition, at the Cerro Utupara prospect, an historic gold mining zone hosting high-grade gold veins along the contact between intrusive rocks and quartzites has been drilled for 662 meters in 4 holes. Low grade disseminated copper-gold intercepts have been reported from these two zones, except in hole UTU-19 from Cerro Utupara, which intercepted a high grade manto structure of 9.80 grams/tonne gold over 0.30 meters.



The 5,358 hectare Chapi-Chapi project hosts a large copper-gold-molybdenum exoskarn and endoskarn system hosted by Jurassic-Cretaceous limestones cut by dioritic to monzonitic stocks. The limestones are part of the same unit that hosts large skarn deposits such as the nearby Tintaya and Las Bambas copper-gold skarn projects of Xstrata.

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 of the skarn with geological mapping, trench geochemical sampling and ground magnetics. The ground magnetics survey identified several large east-west magnetic anomalies up to two kilometres long that extend 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.

Surface exploration on the Chapi-Chapi property has already commenced, and includes geological mapping, soil geochemical sampling and trenching. This work represents an extension of the overall continuing exploration program of Alturas in this highly prospective copper-gold belt and will share operational synergies with Alturas's adjacent Utupara project.

Huilacollo Gold Project, Peru

Alturas holds an option to acquire 100% of the 2,000 hectare Huilacollo high-sulphidation epithermal gold project. At the end of 2006, the Company completed a first phase systematic diamond drilling program at the property and reported positive results. Gold and silver assay results confirm strong mineralization at depth that correlates with the mineralization reported from surface trenching and previous holes, including zones of higher gold and silver grade controlled by steep "feeder" structures and breccia zones, which previously had been unrecognized. To date we have a drill indicated gold-silver zone exceeding 400 meters by 200 meters in plan to depths of up to 100 meters from surface. The mineralization at Cerro Andamarca is still open in several directions, and several other untested targets have been identified within the property.

Preliminary results from bottle roll cyanide leach test work on drill samples of the Huilacollo project conducted by Plenge Laboratories of Lima confirmed 78.1 to 88.8% extraction of gold and 31.3 to 48.2% extraction of silver in 96 hours using a concentration of 0.5 g/L cyanide.

Alturas continues its conversation with various companies in the search of a partner to further advance the exploration and development of this project. The Huilacollo option contract contemplates a US\$1.2 million cash payment due in August 2008, that Alturas is currently renegotiating with the underlying property owners in order to facilitate the strategic development of the project. The outcome of this negotiation is unpredictable at this stage.

Other Projects

In addition to its four main properties, Alturas has the rights to explore another ten projects totaling 13,398 hectares of ground comprising gold and copper-gold targets elsewhere in Peru.

Alturas has significantly advanced the preliminary surface exploration of several of these projects, with reconnaissance geological mapping and geochemical sampling. Detailed ground geophysics was completed for some priority projects during the second half of 2007.

Recent relevant results include:

- At the **Sombrero copper-gold project** in south-central Peru the confirmation of the high potential for partly concealed copper-gold contact skarn zones. Additional claiming by Alturas has now secured



80% of the prospective ground of the Sombrero skarn system, bringing the total project area to 3,800 hectares. Geological mapping, geochemical sampling and a large high resolution ground magnetic survey have been completed, with the aim of defining targets for a drilling campaign programmed for late-2008. Large prospective anomalies were identified in the magnetics survey and Alturas is currently in negotiations with the owners of three small third party claims, with the aim of further consolidating its ground position;

- At the **Ccaccapaqui gold-silver project** in south-central Peru the definition of a 2.0 x 0.5 kilometer epithermal system featuring preserved siliceous sinters and structurally-controlled zones of higher gold and silver grade. The Company is currently seeking a partner to further advance the project;
- At the **Pampa Colorada copper-gold** project in northern Peru the identification of a largely concealed porphyry copper-gold system akin to those in northern Peru and southern Ecuador, confirmed by the presence of potassically altered intrusive rocks reporting gold and copper geochemical anomalism. The Company is currently seeking a partner to further advance the project;
- At the **Callejones gold-silver-zinc-copper project** in northern Peru, an 8 kilometers long NE-SW-striking belt of strongly altered felsic volcanic rocks has been recognized, 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. The Company is currently seeking a partner to further advance the project;

Four other properties were previously evaluated, downgraded and discarded from the Company's property portfolio during 2007.

Detailed exploration and drilling results are available on the Company's website at www.alturasminerals.com

SELECTED QUARTERLY AND ANNUAL INFORMATION

	Three Months Ended		Six Months Ended		Year Ended
	Mar. 31, 2008	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2007	Sep. 30, 2007
Total Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net Loss	(1,491,745)	(1,313,087)	(3,095,831)	(3,078,340)	(6,041,567)
Loss Per Share	(0.03)	(0.04)	(0.06)	(0.09)	(0.15)
Cash	4,990,344	2,167,735	4,990,344	2,167,735	7,876,501
Total Assets	5,362,675	2,489,038	5,362,675	2,489,038	8,241,908
Total Liabilities	506,326	737,253	506,326	737,253	513,734
Shareholders' Deficit	(14,102,992)	(8,043,934)	(14,102,992)	(8,043,934)	(11,007,161)
General and Administration	260,551	266,077	499,437	442,306	913,478
Exploration Expenses	1,170,567	946,161	2,493,199	2,374,853	4,751,489
Stock based compensation	122,071	121,512	224,006	211,371	547,109



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.

For the three months ended March 31, 2008, Alturas incurred a net loss of \$1,491,745 compared with \$1,313,087 for the three months ended March 31, 2007. The increase in loss of \$178,658 is attributable predominantly to an increase of \$224,406 in exploration expenditures, offset by an increase of \$41,421 in other income (\$25,524 of the increase in other income is attributable to increased interest earned and \$16,091 is attributable to an increase in foreign exchange gains).

For the six months ended March 31, 2008, Alturas incurred a net loss of \$3,095,831 compared with \$3,078,340 for the six months ended March 31, 2007. The increase in loss of \$17,491 is attributable predominantly to an increase of \$118,346 in exploration costs and an increase of \$51,131 in general and administrative costs, offset by an increase in other income of \$172,475 (\$26,991 of the increase in other income is attributable to increased interest earned and \$145,678 is attributable to an increase in foreign exchange gains).

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
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)
	\$ 260,551	\$ 499,437

General office and administration expenses for the three months ended March 31, 2007 and for the six months ended March 31, 2007 are reflected in the following table.

General and Administration Subcategories	3 Months ended March 31, 2007	6 Months ended March 31, 2007
Administrative	\$ 26,847	\$ 42,636
Bank Fees and Charges	2,224	5,191
Consulting Fees	8,897	8,897



General and Administration Subcategories	3 Months ended March 31, 2007	6 Months ended March 31, 2007
Directors' fees	5,770	5,770
Investor Relations	10,672	35,273
Insurance	9,761	19,853
Professional Fees	55,622	118,655
Stock Exchanges Charges	1,468	5,279
Rental	5,408	13,533
Salaries and Wages	5,089	10,635
Telephone	2,554	3,848
Travel	14,648	25,805
Tax Payments	6,522	31,882
Other	2,691	7,145
Costs from Equinox Minerals	107,904	107,904
	\$ 266,077	\$ 442,306

As the Company grows, general expenses can be expected to increase through office expansion, increases reporting issuer costs and expanded shareholder communications. 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 flow used in operating activities for the three months ended March 31, 2008 was \$1,430,593 (three months ended March 31, 2007: \$1,228,619). The increase of \$201,974 is predominantly attributable to increased exploration costs of \$224,406.

Cash flow used in operating activities for the six months ended March 31, 2008 was \$2,892,027 (six months ended March 31, 2007: \$2,550,418). The increase of \$341,609 is predominantly attributable to an increase in exploration expenditures of \$118,346, as well as the impact on cash flow of the reduction of accounts payable and accrued liabilities by \$181,115.

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	Net Revenue \$	Net loss		Exploration Expenses \$	General and Administration \$
		Total \$	Per Share \$		
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
March 31, 2007	Nil	(1,313,087)	(0.04)	946,161	266,077
December 31, 2006	Nil	(1,765,253)	(0.05)	1,428,692	176,229
September 30, 2006	Nil	(1,082,668)	(0.03)	963,891	231,832
June 30, 2006	Nil	(495,078)	(0.02)	353,463	93,141



LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2008	September 30, 2007
	\$	\$
Assets		
Cash and cash equivalents	4,990,344	7,876,501
Other current assets	65,105	64,720
Capital assets	307,226	300,687
Total assets	<u>5,362,675</u>	<u>8,241,908</u>
Liabilities		
Current liabilities	131,326	138,734
Non-current liabilities	375,000	375,000
Total liabilities	<u>506,326</u>	<u>513,734</u>
Shareholders' equity	<u>4,856,349</u>	<u>7,728,174</u>
Outstanding number of shares	<u>53,127,073</u>	<u>53,127,073</u>

Cash and Cash Equivalents

The decrease in cash and cash equivalents of \$2,886,157 is primarily due to cash expenditures on exploration and administrative activities; there were no financing activities during the six months ended March 31, 2008. The Company's operating and capital expenditures are expected to increase in subsequent periods with the advancing of exploration and development activities. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development activities. The Company's historical capital needs have been met by the issuance of Common Shares and Warrants.

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

Based on preliminary estimates, the Company believes it has sufficient funds to cover all exploration programs and corporate expenses planned for calendar year 2008.



Mineral Properties and Other Fixed Assets

Total fixed assets of \$67,226, as at March 31, 2008, increased by \$6,539 since September 30, 2007, due to purchases of property, plant and equipment of \$12,933, offset by an increase in amortization costs during the six months ended March 31, 2008 of \$6,394.

Resource Property Expenditures

The Company incurred \$964,666 in exploration expenditures during the three months ended March 31, 2008 with respect to the Company's resource properties. In addition to these expenses, the Company expensed a further \$205,901 in VAT receivable, for total exploration expenditures incurred during the three months ended March 31, 2008 of \$1,170,567. This compares with total exploration expenditures incurred during the three months ended March 31, 2007 of \$946,161.

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)
Total	\$1,132,076	\$ 4,908	\$ 15,429	\$ 612,892	\$ 373,267	\$34,764	\$ 17,382



Exploration costs incurred during the six months ended March 31, 2007 of \$2,374,853 are summarized as follows:

	Utupara	Huilacollo	Baños del Indio	Huajoto	Regional Exploration
Management Fees	\$ 62,832	\$ 62,832	\$ 62,832	\$ -	\$ -
Project management	\$ 21,866	\$ 26,532	\$ 21,957	-	-
Data compilation and interpretation	7,096	12,361	12,125	-	-
Surveying	28,196	5,877	13,144	-	-
Camp cost	43,166	89,316	48,257	-	-
Vehicle cost	12,866	105,574	23,552	-	-
Mapping	57,560	36,166	41,657	-	-
Sampling	65,892	91,372	41,448	-	-
Geophysics	143,670	176,035	127,404	-	-
Drilling	5,888	601,511	664	-	-
Environmental / Rehabilitation	37,853	26,081	18,155	-	-
Community relations	27,446	29,958	7,848	-	-
Access and drill pad construction	11,900	8,247	-	-	-
Property payments	2,208	-	130,000	-	-
Legal	3,777	5,443	16,449	-	-
Total	\$ 532,236	\$ 1,277,125	\$ 565,492	\$ -	\$ -

Current Liabilities

Current liabilities of \$131,326, as at March 31, 2008, decreased by \$7,408 since September 30, 2007, due to a decrease in creditors and accruals associated with the Company's Peruvian projects.

Non-current Liabilities

No Change.

Contractual Obligations

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



Property	Commitment Type	2008 \$	2009 \$	2010 \$	2011 \$	2012 \$	Total \$
Utupara-Chapi Chapi	Mining rights	-	-	-	-	-	-
	Property fees	13,729	13,729	37,045	41,187	41,187	146,877
	Exploration	-	-	-	-	-	-
		13,729	13,729	37,045	41,187	41,187	146,877
Huilacollo	Mining rights	1,200,000	1,500,000	-	-	-	2,700,000
	Property fees	46,000	46,000	46,000	46,000	46,000	230,000
		1,246,000	1,546,000	46,000	46,000	46,000	2,930,000
Baños del Indio	Mining rights	-	-	-	-	-	-
	Property fees	133,376	133,376	138,465	138,465	138,465	682,147
	Exploration	-	-	-	-	-	-
		133,376	133,376	138,465	138,465	138,465	682,147
Huajoto	Mining rights	-	-	-	-	-	-
	Property fees	20,859	20,859	32,250	32,250	32,250	138,468
	Exploration	-	-	-	-	-	-
		20,859	20,859	32,250	32,250	32,250	138,468
Totals	Mining rights	1,200,000	1,500,000	-	-	-	2,700,000
	Property fees	213,964	213,964	253,760	257,902	257,902	1,197,492
	Total	1,413,964	1,713,964	253,760	257,902	257,902	3,897,492

Utupara-Chapi Chapi:

Per the letter agreement signed between Alturas and Minera IRL Limited on February 22, 2008, Alturas is committed to completing 20,000 meters of drilling on the project and preparing a scoping study on the combined Utupara-Chapi Chapi property block, to earn its 80% of the joint venture entity. No time frame or investment commitment has been included in this letter agreement.

Huajoto:

The agreement concluded between Alturas and Teck Cominco Peru S.A. on August 24, 2007, states that Alturas is committed to investing US\$1.5 million in the exploration of the joint venture property block, within three years of the execution of the contract to earn a 65% interest in the joint venture entity.

CAPITAL RESOURCES

Common Shares and Convertible Securities Summary

As at May 29, 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 March 31, 2008, the Company's share position consisted of:

Shares outstanding	53,127,073
Options outstanding	4,000,000
Warrants outstanding	12,177,778

As at September 30, 2007, the Company's share position consisted of:

Shares outstanding	53,127,073
Options outstanding	3,630,000
Warrants outstanding	18,358,019

Shareholders' Equity

Shareholders' equity decreased to \$4,856,349 as at March 31, 2008 (September 30, 2007 - \$7,728,174) due to:

- stock-based compensation of \$224,006
- a net loss for the six months ended March 31, 2008 of \$3,095,831

Options Outstanding

Expiry Date	No. of Options	Exercise Price
September 10, 2010	50,000	\$0.30
June 14, 2011	1,635,000	\$0.65
January 19, 2012	300,000	\$0.65
June 30, 2012	500,000	\$0.50
September 7, 2012	920,000	\$0.68
September 29, 2012	150,000	\$0.68
March 2, 2013	445,000	\$0.22
Total	4,000,000	

Warrants Outstanding

	Warrants	Expiry Date	Exercise Price
Purchase warrants	777,778	April 10, 2008	\$0.60
Purchase warrants	10,000,000	November 29, 2008	\$0.65
Agent's warrants	1,400,000	November 29, 2008	\$0.50
Total	12,177,778		

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 for the three months ended March 31, 2008 was \$146,754, consisting of general expenditures of \$16,422, technical services of \$35,640, camp costs of \$83,572 and vehicle cost of \$11,120, compared with \$361,243 for the three months ended March 31, 2007, consisting of general expenditures of \$14,280, technical services of \$28,560 and camp costs of \$318,424. The cost of such services for the six months ended March 31, 2008 was \$334,182, consisting of general expenditures of \$32,844, technical services of \$66,342, camp costs of



\$223,875 and vehicle costs of \$11,120, compared with \$490,707 for the six months ended March 31, 2007, consisting of general expenditures of \$28,560, technical services of \$57,120 and camp costs of \$405,027.

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 for the three months ended March 31, 2008 was \$132,394, consisting of salary costs of \$49,480, project management costs of \$62,186, data compilation and interpretation costs of \$15,015, environmental and rehabilitation costs of \$5,385 and other costs of \$328. This compared with \$93,768 for the three months ended March 31, 2007, consisting of salary costs of \$42,840, project management costs of \$40,303, data compilation and interpretation costs of \$10,175 and other costs of \$450. The cost of such services for the six months ended March 31, 2008 was \$262,486, consisting of salary costs of \$94,462, project management costs of \$124,331, data compilation and interpretation costs of \$30,043, environmental and rehabilitation costs of \$5,385 and other costs of \$8,265. This compared with \$183,113 for the six months ended March 31, 2007, consisting of salary costs of \$85,680, project management costs of \$72,699, data compilation and interpretation costs of \$20,349, environmental and rehabilitation costs of \$1,040 and other costs of \$3,345.

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, 2008 was \$8,568, compared with \$8,568 for the three months ended March 31, 2007. The cost of such services for the six months ended March 31, 2008 was \$17,136, compared with \$17,136 for the six months ended March 31, 2007.

The Company also paid \$34,242 during the three months ended March 31, 2008 to a legal firm in which a director of the Company is a partner, compared with \$47,304 for the three months ended March 31, 2007. The Company paid \$60,932 for the six months ended March 31, 2008 to this firm, compared with \$47,304 for the six months ended March 31, 2007.

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, divestiture 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

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.

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.

OUTLOOK

Financial analysts laud Peru as an attractive country for foreign investment, as the Andean nation experiences record economic expansion amid high commodities prices and strong growth of internal demand. Peru's economy expanded 9 percent in 2007, its ninth consecutive year of growth, and booming construction and mining sectors are expected to produce continued strong growth in 2008. The economy grew 10 percent in January of this year alone. Importantly, Fitch Ratings recently raised Peru's foreign



currency debt rating to the investment-grade level of BBB- and the country concluded a free trade agreement with the US that has been ratified by the Peruvian Congress and by the US House of Representatives and Senate. A free trade agreement between Peru and Canada has also been signed on May 26, 2008, and Peru is negotiating further agreements with Chile, South Korea, China and Japan.

Peru is the largest gold producer in Latin America and its annual production of about 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.

Alturas continues to focus on belts in Peru that have already delivered large economic discoveries, mainly within the southern part of the country. Exploration work is proceeding as planned. Alturas is rapidly moving forward with its plan of aggressively advancing projects into a first phase of systematic anomaly definition, target prioritization and drill testing before the end of year 2008. Three projects have already received first pass drilling, and drilling is programmed to start on a fourth shortly.

At the Utupara copper-gold project, a core drilling program was completed and low-grade mineralization was reported over wide intervals (hundreds of 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. Drilling results from the Cerro Añasino skarn target and at the Cerro Utupara high-grade gold veins system were in general disappointing, but intervals of low grade disseminated copper-gold mineralization were encountered in some holes. Several geophysical anomalies remain untested within the project. The acquisition of the adjacent Chapi Chapi copper-gold project effectively doubles the prospective land position subject to exploration in the Yauli-Andahuaylas copper-gold skarn belt of southern Peru. The company is highly encouraged by the strong surface indications of copper-gold

Alturas is currently evaluating the data from the drill program of its Baños del Indio project with the aim of refining the target model and developing a second phase drilling program.

The Huajoto gold-silver-zinc project in Central Peru has been intensively explored with the aim of advancing it to the point of defining specific drill targets, programmed to be tested during the second quarter of 2008.

The Sombrero copper-gold project in south-central Peru is also being aggressively explored, with the aim of defining targets for a drilling campaign programmed for late-2008.

Alturas plans to have completed a total of approximately 20,000 meters of drilling in its five most advanced projects before the end of 2008.

Alturas possesses the funds and infrastructure to test the numerous drill targets on its properties that have been generated from its work to date, and expects to continue to increase and improve its diverse portfolio of mineralized properties in Peru. Part of Alturas's strategy is to share exploration risk by partnering with other reputable exploration companies, and the Company is currently in conversations with a number of parties on this theme.

Alturas is also in the process of registering at the Lima Stock Exchange (Bolsa de Valores de Lima) in Peru. The completion of the listing process should occur within the next few days. Considering that Alturas's management has an important Peruvian component and that the exploration activities developed by the company is entirely focused in Peru, it is envisaged that trading of Alturas's shares in Peru will significantly help to improve the local awareness and image of the company and will increase stock liquidity.



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.

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.

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 March 31, 2006 Filing Statement under "*Information Concerning Alturas: Risk Factors*". The filing statement is located on SEDAR (www.sedar.com).