



ALTURAS MINERALS CORP.

Management Discussion and Analysis

For the three months and nine months ended June 30, 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 and nine months ended June 30, 2008, and its financial position as at June 30, 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" 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 August 14, 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

The Company's common shares were listed and trading commenced on the BVL on June 25, 2008. Alturas's listing on the BVL is being sponsored by Credibolsa, Peru's largest brokerage firm and the trading arm of Banco de Credito, Peru's largest bank..

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 additional 3 years. If the joint venture proceeds further, Teck Cominco can elect to earn an additional 30% of the project by funding 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 and 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 require follow up. Re-logging of a key drill hole previously executed by Teck-Cominco indicates that disseminated zinc-rare earth mineralization is concentrated in altered tuff horizons cut by a garnetiferous felsic intrusive.

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 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 at the Caty-Pablo prospect. In addition, rare earth elements 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 commenced in late June 2008 and assay results are expected to start flowing by mid-August.

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.

The geophysics 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 high 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.

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. Scattered anomalous intervals (up to 0.16 grams/tonne gold), epithermal pathfinder elements (arsenic, antimony, barium, bismuth, mercury, molybdenum, silver), and the base metals, were reported within silica-altered intervals in some drill holes.

The Company is completing a full technical review of the project to decide on the next steps for the Baños del Indio gold-silver project.

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), Antilla and Cotabambas (Panoro), Antabamba (International Minerals Corporation / Oro Vega) 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 completed at Utupara. At the Cachorro Norte and Sur targets, the Company completed ten widely spaced drill holes that 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. Seven 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. No economically significant intercepts have been reported from these two zones.

On February 28, 2008, the Company announced that it has 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.

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. Distinct high-grade mineralized NE-SW trends up to 1.6 x 0.1 kilometers in dimension have been identified. Copper and gold anomalism is hosted in magnetite skarn along intrusive contacts and within steep structures cutting limestones. Alturas' sampling of oxidized material confirms copper-gold anomalism over continuous sections of tens of meters.

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.

Once the full contract with IRL is executed, 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.

Huilacollo Gold Project, Peru

Alturas holds an option to acquire 100% of the 2,000 hectare Huilacollo high-sulfidation 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 is currently seeking a partner to further advance the detailed exploration required to bring the project to feasibility and production. At the same time, the company has entered into negotiations with the property owners to re-schedule the pending option payments.

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 surface exploration of several of the high priority projects, with reconnaissance geological mapping and geochemical sampling and detailed ground geophysics. In addition, Alturas is in currently in discussions with a number of potential partner companies to more rapidly advance some of these projects.

Recent relevant results include:

- At the **Sombrero copper-gold project** in south-central Peru; the confirmation of the 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. The company has entered into negotiations with the local firm Aceros Arequipa to acquire an underlying property comprising strongly copper and gold anomalous magnetite skarn. Geological



mapping, geochemical sampling and a large high resolution ground magnetic survey have been completed, and a high resolution induced polarization survey is currently underway. The aim is to define targets for a drilling campaign programmed for late-2008;

- 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;
- 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 and extensive massive magnetite mineralization. Gold geochemical anomalism has also been reported from the altered intrusive and massive magnetite.
- At the **Callejones gold-silver-zinc-copper project** in northern Peru, an 8 kilometers long NE-SW-striking belt of strongly altered felsic marine 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, the abundance of massive barite and bedded chert horizons within the volcanic sequence strongly suggests a Volcanogenic Massive Sulphide (VMS) search model. Potential massive sulphide bodies are likely to be concealed by the overlying andesite sequence.

Four other properties were 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		Nine Months Ended		Year Ended
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	Sep. 30, 2007
Total Revenues	\$ Nil	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net Loss	(1,556,184)	(1,532,284)	(4,652,015)	(4,610,624)	(6,041,567)
Loss Per Share	(0.03)	(0.04)	(0.09)	(0.13)	(0.15)
Cash	3,542,422	8,990,307	3,542,422	8,990,307	7,876,501
Total Assets	3,918,571	9,389,152	3,918,571	9,389,152	8,241,908
Total Liabilities	515,861	427,681	515,861	427,681	513,734
Shareholders' Deficit	(15,659,176)	(9,576,218)	(15,659,176)	(9,576,218)	(11,007,161)
General and Administration	235,882	153,430	735,319	595,736	913,478
Exploration Expenses	1,200,915	1,258,223	3,694,114	3,633,076	4,751,489
Stock based compensation	102,545	138,092	326,551	349,463	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 June 30, 2008, Alturas incurred a net loss of \$1,556,184 compared with \$1,532,284 for the three months ended June 30, 2007. Exploration costs and stock-based compensation for the three months ended June 30, 2008 decreased by \$57,308 and \$35,547 respectively compared with the corresponding period last year, offset by an increase in general and administrative costs of \$82,452 for the three months ended June 30, 2008 when compared with the corresponding period last year.

For the nine months ended June 30, 2008, Alturas incurred a net loss of \$4,652,015 compared with \$4,610,624 for the nine months ended June 30, 2007. Stock-based compensation for the nine months ended June 30, 2008 decreased by \$22,912 compared with the corresponding period last year and exchange rate gains of \$8,628 for the nine months ended June 30, 2008 compare with exchange rate losses of \$104,410 for the corresponding period last year. These gains were offset by an increase in general and administrative costs of \$139,583 and an increase in exploration costs of \$61,038 for the nine months ended June 30, 2008 when compared with the corresponding period last year.

General office and administration expenses for the three months ended June 30, 2008 and for the nine months ended June 30, 2008 are reflected in the following table.

General and Administration Subcategories	3 Months ended June 30, 2008	9 Months ended June 30, 2008
Administrative	\$ 19,418	\$ 50,006
Bank Fees and Charges	3,752	9,875
Consulting Fees	17,970	62,295
Investor Relations	51,770	177,086
Insurance	9,063	27,783
Professional Fees	89,882	253,027
Stock Exchanges Charges	9,799	24,728
Rental	9,543	27,210
Salaries and Wages	7,820	26,046
Telephone	9,185	16,202
Travel	13,751	60,703
Tax Payments	534	1,824
Other	5,858	32,966
Training and development	1,943	3,987
VAT credit	(14,406)	(38,419)
	\$ 235,882	\$ 735,319

General office and administration expenses for the three months ended June 30, 2007 and for the nine months ended June 30, 2007 are reflected in the following table.

General and Administration Subcategories	3 Months ended June 30, 2007	9 Months ended June 30, 2007
Administrative	\$ 14,391	\$ 57,027
Bank Fees and Charges	4,603	9,794
Consulting Fees	6,489	15,386
Directors' fees	98	5,868
Investor Relations	28,835	64,108
Insurance	10,156	30,009



General and Administration Subcategories	3 Months ended June 30, 2007	9 Months ended June 30, 2007
Professional Fees	47,463	166,118
Stock Exchanges Charges	2,784	8,063
Rental	4,565	18,098
Salaries and Wages	5,133	15,768
Telephone	3,386	7,234
Travel	15,822	41,627
Tax Payments	362	32,244
Other	9,344	16,489
Costs from Equinox Minerals	-	107,904
	\$ 153,430	\$ 595,736

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 June 30, 2008 was \$1,419,549 (three months ended June 30, 2007: \$1,774,384). The decrease of \$354,835 is predominantly attributable to the impact on cash flow of the increase of accounts payable and accrued liabilities by \$319,107.

Cash flow used in operating activities for the nine months ended June 30, 2008 of \$4,296,929 is consistent with the cash flow used in operating activities for the nine months ended June 30, 2007 of \$4,324,802.

SUMMARY OF QUARTERLY RESULTS

Three Months Ended	Net Revenue \$	Net loss		Exploration Expenses \$	General and Administration \$
		Total \$	Per Share \$		
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
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



LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2008	September 30, 2007
	\$	\$
Assets		
Cash and cash equivalents	3,542,422	7,876,501
Other current assets	70,212	64,720
Capital assets	305,937	300,687
Total assets	<u>3,918,571</u>	<u>8,241,908</u>
Liabilities		
Current liabilities	140,861	138,734
Non-current liabilities	375,000	375,000
Total liabilities	<u>515,861</u>	<u>513,734</u>
Shareholders' equity	<u>3,402,710</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 \$4,334,079 is primarily due to cash expenditures on exploration and administrative activities; there were no financing activities during the nine months ended June 30, 2008. The Company's operating and capital expenditures are continuously evaluated in terms of exploration and development activities planned for subsequent periods and the amounts and timing of expenditures are dependent 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 \$65,937, as at June 30, 2008, increased by \$5,250 since September 30, 2007, due to purchases of property, plant and equipment of \$14,550, offset by an increase in amortization costs during the nine months ended June 30, 2008 of \$9,300.



Resource Property Expenditures

The Company incurred \$1,045,172 in exploration expenditures during the three months ended June 30, 2008 with respect to the Company's resource properties. In addition to these expenses, the Company expensed a further \$155,743 in VAT receivable, for total exploration expenditures incurred during the three months ended June 30, 2008 of \$1,200,915. This compares with total exploration expenditures incurred during the three months ended June 30, 2007 of \$1,258,223.

The following table is a summary of the \$3,235,890 of exploration expenditures incurred by the Company during the nine months ended June 30, 2008 with respect to the Company's resource properties. In addition to the expenses reflected below the Company expensed a further \$458,224 in VAT receivable, for total exploration expenditures incurred during the nine months ended June 30, 2008 of \$3,694,114.

	Utupara	Chapi Chapi	Huilacollo	Baños del Indio	Huajoto	Sombrero	Regional Exploration
Management fees	\$ 139,631	\$ 3,963	\$ -	\$ 139,392	\$ 123,998	\$ -	\$ 952
Project management	72,613	-	256	39,080	89,177	-	367
Data compilation and interpretation	21,780	1,516	-	42,123	11,384	2,351	179
Surveying	1,593	-	-	-	257	11,426	-
Camp cost	558,620	-	5,797	291,804	59,345	6,244	13,167
Mapping	36,131	-	59	15,866	4,206	-	4,463
Sampling	42,304	9,300	178	4,157	64,091	-	4,642
Geophysics	35,382	-	-	6,462	236,608	23,407	-
Drilling	673,125	-	-	520,887	-	-	-
Environmental / Rehabilitation	18,338	7,480	-	3,323	13,446	-	-
Community relations	140,564	893	728	466	785	-	-
Access and drill pad construction	8	-	-	14,560	5,307	491	-
Property payments and legal costs	17,486	358	20,228	141,069	9,961	14,616	31,285
Surface land rental / acquisition	707	-	-	1,001	4,192	-	-
VAT Recoveries	(261,217)	(3,690)	(1,062)	(166,632)	(86,538)	(7,007)	(3,539)
Total	\$1,497,065	\$ 19,820	\$ 26,184	\$ 1,053,558	\$ 536,219	\$51,828	\$ 51,516

Exploration costs incurred during the nine months ended June 30, 2007 of \$3,633,076 are summarized as follows:



	Utupara	Huilacollo	Baños del Indio	Huajoto	Regional Exploration
Management Fees	\$ 96,152	\$ 96,152	\$ 94,724	\$ -	\$ -
Project management	34,863	36,936	32,618	-	1,259
Data compilation and interpretation	10,443	18,458	15,472	-	7,003
Surveying	28,196	5,877	13,144	-	-
Camp cost	91,866	159,046	101,745	-	7,783
Vehicle cost	12,866	105,574	23,552	-	-
Mapping	126,576	85,497	115,636	-	21,680
Sampling	167,087	131,689	115,921	-	29,923
Geophysics	176,260	176,035	127,404	-	-
Drilling	11,112	608,052	664	-	-
Environmental / Rehabilitation	47,876	31,604	18,634	-	-
Community relations	54,514	32,126	7,848	-	-
Access and drill pad construction	11,900	8,392	-	-	-
Property payments	31,639	9,009	489,501	13,491	35,017
Legal	3,777	5,443	16,449		
Recoveries	(36,210)	(35,218)			
Total	\$ 868,937	\$ 1,474,672	\$ 1,713,312	\$ 13,491	\$ 102,665

Current Liabilities

Current liabilities of \$140,861, as at June 30, 2008, increased by \$2,127 since September 30, 2007, due to an increase in creditors and accruals associated with the Company's corporate head office.

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	-	53,074	103,681	113,223	113,223	383,201
	Exploration	-	-	-	-	-	-
		-	53,074	103,681	113,223	113,223	383,201
Huilacollo	Mining rights	1,200,000	1,500,000	-	-	-	2,700,000
	Property fees	40,000	46,000	46,000	46,000	46,000	224,000
		1,240,000	1,546,000	46,000	46,000	46,000	2,924,000
Baños del Indio	Mining rights	-	-	-	-	-	-
	Property fees	113,766	133,375	138,465	138,465	138,465	662,536
	Exploration	-	-	-	-	-	-
		113,766	133,375	138,465	138,465	138,465	662,536
Huajoto	Mining rights	-	-	-	-	-	-
	Property fees	5,968	20,859	32,250	32,250	32,250	123,577
	Exploration	-	-	-	-	-	-
		5,968	20,859	32,250	32,250	32,250	123,577
Totals	Mining rights	1,200,000	1,500,000	-	-	-	2,700,000
	Property fees	159,734	253,308	320,396	329,938	329,938	1,393,314
Total		1,359,734	1,753,308	320,396	329,938	329,938	4,093,314

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 August 14, 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 June 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 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 \$3,402,710 as at June 30, 2008 (September 30, 2007 - \$7,728,174) due to:

- stock-based compensation of \$326,551
- a net loss for the nine months ended June 30, 2008 of \$4,652,015

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	10,000,000	November 29, 2008	\$0.65
Agent's warrants	1,400,000	November 29, 2008	\$0.50
Total	11,400,000		

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 June 30, 2008 was \$136,468 consisting of general expenditures of \$18,064 technical services of \$33,999, camp costs of \$60,023 and vehicle cost of \$24,382, compared with \$192,846 for the three months ended June 30, 2007, consisting of general expenditures of \$14,280 technical services of \$28,560 and camp costs of \$150,006. The cost of such services for the nine months ended June 30, 2008 was \$470,649 consisting of general expenditures of \$50,908, technical services of \$100,341 camp costs of \$283,898 and vehicle costs of \$35,502, compared with \$683,553 for the nine months ended June 30, 2007, consisting of general expenditures of \$42,840, technical services of \$85,680 and camp costs of \$555,033.



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 June 30, 2008 was \$132,162, consisting of salary costs of \$48,302 project management costs of \$62,268, data compilation and interpretation costs of \$14,987, environmental and rehabilitation costs of \$5,474 and other costs of \$1,131. This compared with \$115,851 for the three months ended June 30, 2007, consisting of salary costs of \$47,124 project management costs of \$56,755, data compilation and interpretation costs of \$11,911 and other costs of \$61. The cost of such services for the nine months ended June 30, 2008 was \$394,648 consisting of salary costs of \$142,764 project management costs of \$186,599, data compilation and interpretation costs of \$45,030, environmental and rehabilitation costs of \$10,859 and other costs of \$9,396. This compared with \$298,964 for the nine months ended June 30, 2007, consisting of salary costs of \$132,804 project management costs of \$129,454 data compilation and interpretation costs of \$32,260 environmental and rehabilitation costs of \$1,040 and other costs of \$3,406.

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 June 30, 2008 was \$8,568, compared with \$8,568 for the three months ended June 30, 2007. The cost of such services for the nine months ended June 30, 2008 was \$25,704 compared with \$25,704 for the nine months ended June 30, 2007.

The Company paid \$21,146 during the three months ended June 30, 2008 to a legal firm in which a director of the Company is a partner, compared with \$64,651 for the three months ended June 30, 2007. The Company paid \$82,078 for the nine months ended June 30, 2008 to this firm, compared with \$111,955 for the nine months ended June 30, 2007. As of June 30, 2008, \$15,250 was owed to this legal firm.

The Company also paid \$18,150 during the three months ended June 30, 2008 to a consulting firm in which an officer of the Company is a principal, compared with \$Nil for the three months ended June 30, 2007. The Company paid \$62,000 for the nine months ended June 30, 2008 to this firm, compared with \$Nil for the nine months ended June 30, 2007. As of June 30, 2008, \$6,230 was owed to this firm.

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.



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 June 30, 2008, pursuant to the requirements of Multilateral Instrument 52-109.

Management has concluded that, as of June 30, 2008, 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 nine months ended June 30, 2008 that would materially affect, or is reasonably likely to materially affect, its internal controls over financial reporting.

OUTLOOK

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 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, and exploration work is proceeding as planned. Alturas is rapidly moving forward with the aim of aggressively taking five of its most advanced projects into a first phase of systematic anomaly definition, target prioritization and drill testing before the end of year 2008.

In the **Huajoto** zinc-gold-silver-REE project in Central Peru a 3,000 meter core drilling program started in late June 2008 and first assay results are expected to be received by mid-August 2008.

At the **Baños del Indio** gold project, the Company recently completed a reverse circulation drilling program over part of the identified disseminated gold-silver targets. The drill holes intersected extensive zones of siliceous alteration in most drill holes as predicted, but results did not meet expectations. A technical review should be completed by the end of August and decisions will then be taken on the future of the project.

At the **Utupara** copper-gold project, a core drilling program was completed in early 2008 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 below expectations. The acquisition of the adjacent **Chapi Chapi** copper-gold project effectively doubles the prospective land position subject to exploration and accesses a number of new potentially high grade targets for the company.

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 complete a total of approximately 20,000 meters of drilling in its five most advanced projects before the end of 2008.



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).