



ALTURAS MINERALS CORP.

(A development stage company)

Consolidated Interim Financial Statements

(Unaudited)

Three and nine months ended June 30, 2007

(Expressed in US dollars unless otherwise stated)

ALTURAS MINERALS CORP.
(A development stage company)
CONSOLIDATED INTERIM BALANCE SHEETS
(UNAUDITED)
(Expressed in US\$ unless otherwise stated)

	June 30, 2007	September 30, 2006
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	8,990,307	5,171,506
Accounts receivable	88,023	51,949
Prepayments	5,735	32,612
	9,084,065	5,256,067
Mineral properties (Note 4)	240,000	240,000
Property, plant and equipment (Note 3)	65,087	39,748
	9,389,152	5,535,815
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	52,681	218,547
Non-current liabilities		
Due to Equinox Minerals Limited (Note 5)	375,000	750,000
	427,681	968,547
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	14,393,129	6,873,219
Warrants (Note 8)	1,481,374	345,920
Contributed surplus	2,663,186	2,313,723
Deficit	(9,576,218)	(4,965,594)
	8,961,471	4,567,268
	9,389,152	5,535,815

See accompanying notes to consolidated interim financial statements.

Nature of operations and going concern (Note 1)

Commitments (Note 10)



ALTURAS MINERALS CORP.
(A development stage company)
CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED)
(Expressed in US\$ unless otherwise stated)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Nine months ended June 30, 2007	Nine months ended June 30, 2006	Cumulative from inception on January 14, 2004
	\$	\$	\$	\$	\$
Expenses					
Exploration	1,258,223	353,463	3,633,076	1,024,150	7,534,274
General and administration	153,430	93,141	595,736	178,103	1,221,868
Abandoned capital raising costs	-	-	-	91,448	486,103
Amortization of property, plant and equipment	2,471	1,688	7,012	5,101	22,125
Stock-based compensation (Note 7)	138,092	182,814	349,463	182,814	639,105
Other expense (income) (Note 11)	(19,932)	(136,028)	25,337	(133,039)	(327,257)
Net loss and comprehensive loss for the period	1,532,284	495,078	4,610,624	1,348,577	9,576,218
Basic and diluted loss per share	0.04	0.02	0.13	0.10	
Weighted average number of shares outstanding	40,140,772	27,864,092	35,456,601	13,553,956	

See accompanying notes to consolidated interim financial statements.



ALTURAS MINERALS CORP.
(A development stage company)
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Expressed in US\$ unless otherwise stated)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Nine months ended June 30, 2007	Nine months ended June 30, 2006	Cumulative from inception on January 14, 2004
	\$	\$	\$	\$	\$
Cash Provided By (Used In)					
Operations					
Net loss for the period	(1,532,284)	(495,078)	(4,610,624)	(1,348,577)	(9,576,218)
Items not involving cash:					
Stock-based compensation (Note 7)	138,092	182,814	349,463	182,814	639,105
Amortization of property, plant and equipment	2,471	1,688	7,012	5,101	22,125
Foreign exchange (gain) loss	(5,881)	(91,810)	104,410	(88,658)	(162,207)
	(1,397,602)	(402,386)	(4,149,739)	(1,249,320)	(9,077,195)
Changes in non-cash working capital					
Accounts receivable and prepayments	(67,210)	64,709	(9,197)	69,827	2,999
Accounts payable and accrued liabilities	(309,572)	42,026	(165,866)	(250,475)	(37,633)
	(1,774,384)	(295,651)	(4,324,802)	(1,429,968)	(9,111,829)
Financing					
Contributions from shareholders	-	-	-	106,230	2,032,799
Proceeds on issuance of securities, net of share issue costs	8,603,878	5,485,010	8,655,364	5,512,147	14,957,435
Acquisition costs net of cash acquired	-	204,747	-	204,747	161,907
Advances from (repayments to) Equinox Minerals Limited (Note 5)	-	-	(375,000)	970,715	875,000
	8,603,878	5,689,757	8,280,364	6,793,839	18,027,141



ALTURAS MINERALS CORP.
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CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Expressed in US\$ unless otherwise stated)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Nine months ended June 30, 2007	Nine months ended June 30, 2006	Cumulative from inception on January 14, 2004
	\$	\$	\$	\$	\$
Investing					
Purchase of property, plant and equipment	(12,803)	-	(32,351)	-	(87,212)
	(12,803)	-	(32,351)	-	(87,212)
Net change in cash and cash equivalents	6,816,691	5,394,106	3,923,211	5,363,871	8,828,100
Cash and cash equivalents, beginning of period	2,167,735	70,319	5,171,506	103,706	-
Effect of exchange rate changes on cash held in foreign currencies	5,881	91,810	(104,410)	88,658	162,207
Cash and cash equivalents, end of period	8,990,307	5,556,235	8,990,307	5,556,235	8,990,307

See accompanying notes to consolidated interim financial statements.



ALTURAS MINERALS CORP.

(A development stage company)

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED)

(Expressed in US\$ unless otherwise stated)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Nine months ended June 30, 2007	Nine months ended June 30, 2006	Cumulative from inception on January 14, 2004
	\$	\$	\$	\$	\$
Share capital					
Balance at beginning of period	6,924,705	922,816	6,873,219	422,816	-
Initial share allotment	-	-	-	-	1
Shares issued to acquire subsidiaries	-	-	-	-	240,001
Reallocation of warrants	-	(30,140)	-	(30,140)	(30,140)
Proceeds on issuance of securities, net of share issue costs	7,468,424	5,480,726	7,468,424	5,980,726	13,631,964
Fair value of compensation options issued	-	(38,780)	-	(38,780)	(38,780)
Fair value of warrants issued under private placement	-	(277,000)	-	(277,000)	(277,000)
Exercise of stock options	-	4,284	-	4,284	13,217
Transfer from contributed surplus	-	-	-	-	8,718
Exercise of warrants	-	-	51,486	-	676,797
Share exchange to effect RTO, net of costs	-	211,191	-	211,191	168,351
Balance at end of period	14,393,129	6,273,097	14,393,129	6,273,097	14,393,129
Warrants					
Balance at beginning of period	345,920	-	345,920	-	-
Transfer of warrants from share capital	-	30,140	-	30,140	30,140
Fair value of warrants issued	1,135,454	315,780	1,135,454	315,780	1,451,234
Balance at end of period	1,481,374	345,920	1,481,374	345,920	1,481,374
Contributed surplus					
Balance at beginning of period	2,525,094	2,032,799	2,313,723	2,032,799	-
Shareholder contributions	-	-	-	-	2,032,799
Stock-based compensation	138,092	182,814	349,463	182,814	639,105
Transfer of fair value of stock options exercised	-	-	-	-	(8,718)
Balance at end of period	2,663,186	2,215,613	2,663,186	2,215,613	2,663,186



ALTURAS MINERALS CORP.**(A development stage company)****CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****(UNAUDITED)****(Expressed in US\$ unless otherwise stated)**

	Three months ended June 30, 2007	Three months ended June 30, 2006	Nine months ended June 30, 2007	Nine months ended June 30, 2006	Cumulative from inception on January 14, 2004
	\$	\$	\$	\$	\$
Deficit					
Balance at beginning of period	(8,043,934)	(3,387,848)	(4,965,594)	(2,534,349)	-
Net loss for the period	(1,532,284)	(495,078)	(4,610,624)	(1,348,577)	(9,576,218)
Balance at end of period	(9,576,218)	(3,882,926)	(9,576,218)	(3,882,926)	(9,576,218)

See accompanying notes to consolidated interim financial statements.

ALTURAS MINERALS CORP.
(A development stage company)
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
(Expressed in US\$ unless otherwise stated)

Three and nine months ended June 30, 2007

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of operations and going concern

Alturas Minerals Corp. ("Alturas" or the "Company"), is a Canadian corporation, and is the parent of Alturas Minerals S.A. ("Alturas Peru"). Alturas Peru has been actively exploring various mineral projects in Peru since January 2004. The principal assets of the Company are four mineral exploration projects located in southern Peru, being the Huilacollo Gold Project, the Baños del Indio Gold Project, the Utupara Copper-Gold Project and the Huajoto Gold-Silver-Zinc Project. In addition, Alturas Peru has interests in various other exploration projects in Peru. The exploration strategy of the Company is to focus on the discovery of large epithermal gold mineralized deposits and copper-gold porphyry/skarn deposits. To date, the Company has not earned any revenues from mineral exploration and is considered to be in the development stage.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the three and nine months ended June 30, 2007, the Company reported a loss of \$1.5 million and \$4.6 million, respectively and an accumulated deficit of \$9.6 million at that date. In addition to its working capital requirements, the Company must meet its spending and purchase option obligations with respect to its mineral properties in order to keep legal title and advance the projects. There are \$4.6 million in existing commitments as at June 30, 2007. In due course, the Company will have to secure additional financing to carry out planned and future exploration and development activities. Such circumstances lend substantial doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company has approximately \$9.0 million in cash and cash equivalents as at June 30, 2007 to fund exploration and meet contractual obligations. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company.

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

(b) History of Entity

On May 17, 2005 Alturas Minerals Corp., a private company ("Alturas Private") was incorporated as a wholly owned subsidiary of Equinox Minerals Limited ("Equinox Minerals") to acquire 100% of the common shares of Alturas Peru. Effective March 15, 2005, Equinox Minerals transferred its shares in Equinox Peru Ventures Limited ("Equinox Peru") to Alturas Private in exchange for 7,000,000 common shares of Alturas Private with a carrying value of \$1. On March 26, 2005, Alturas Private issued 3,000,000 shares to CPB Asociados SRL ("CPB") in consideration for the remaining 30% interest in Alturas Peru. This transaction was recorded at its fair market value (\$240,000).



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1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

(b) History of Entity (continued)

The transfer by Equinox Minerals of its interest in Equinox Peru to Alturas Private was an internal reorganization between related parties and as such the consolidated financial statements have been prepared on a continuity of interests basis. Accordingly, these consolidated financial statements present the operations of the Company as if it had been the holding company of Equinox Peru for all periods presented.

On April 10, 2006, Iron Lake Minerals Inc. ("ILM"), 6516521 Canada Inc., ("ILM Subco") and Alturas Private executed an Amalgamation Agreement which provided for an Amalgamation of ILM Subco, a wholly owned subsidiary of ILM, and Alturas Private under section 186 of the Canada Business Corporations Act on the terms and conditions contained in the Amalgamation Agreement. The continuing legal entity from the amalgamation is referred to herein as "Amalco".

Terms of the transaction called for ILM to acquire all of the issued and outstanding Alturas Private common shares by way of the Amalgamation of Alturas Private and ILM Subco to form Amalco. On amalgamation, each issued and outstanding Alturas Private common share was exchanged for three and one-half (3.5) ILM common shares and each issued and outstanding ILM Subco common share was converted into one Amalco common share. Amalco issued to ILM one Amalco common share for each ILM common share issued to holders of Alturas Private common shares in connection with the amalgamation.

In addition, holders of Alturas Private warrants were deemed to have exchanged the Alturas Private warrants for ILM warrants whereby each such Alturas Private warrant entitled the holder to receive upon exercise of the Alturas Private warrant that number of ILM common shares which the holder would have been entitled to receive if immediately prior to the completion of the amalgamation, the holder had been the registered holder of that number of Alturas Private common shares to which such holder had previously been entitled to receive upon such exercise.

On April 10, 2006, the Company completed a Reverse Take Over transaction ("RTO") with Alturas Private and changed its name from ILM to Alturas Minerals Corp. The consolidated financial statements of the combined entity are issued under the name of the Company, but are a continuation of the consolidated financial statements of Alturas Private. Comparative amounts are those of Alturas Private.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited consolidated interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes required by Canadian generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended June 30, 2007 may not necessarily be indicative of the results that may be expected for the year ending September 30, 2007.

The interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited consolidated financial statements for the year ended September 30, 2006, except as noted below. For further information, refer to the audited consolidated financial statements and notes thereto for the period ended September 30, 2006.



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2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments, comprehensive income and hedges

In January 2005, the CICA issued Handbook Sections 3855, "Financial Instruments – Recognition and Measurement", 1530, "Comprehensive Income", and 3865, "Hedges". These new standards are effective for interim and annual financial statements relating to fiscal years commencing on or after October 1, 2006 on a prospective basis. The Company has adopted these new standards effective October 1, 2006.

Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented. This Section requires that:

- All financial assets be measured at fair value on initial recognition and certain financial assets to be measured at fair value subsequent to initial recognition;
- All financial liabilities be measured at fair value if they are classified as held for trading purposes. Other financial liabilities are measured at amortized cost using the effective interest method; and
- All derivative financial instruments be measured at fair value on the balance sheet, even when they are part of an effective hedging relationship.

Section 1530 introduces a new requirement to temporarily present certain gains and losses from changes in fair value outside net income. It includes unrealized gains and losses, such as: changes in the currency translation adjustment relating to self-sustaining foreign operations; unrealized gains or losses on available-for-sale investments; and the effective portion of gains or losses on derivatives designated as cash flow hedges or hedges of the net investment in self-sustaining foreign operations.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13 "Hedging Relationships", and the hedging guidance in Section 1650 "Foreign Currency Translation" by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

The Company has evaluated the impact of these new standards on its consolidated financial statements and determined that no adjustments were required on adoption.

3. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2007	September 30, 2006
	\$	\$
Property, plant and equipment - at cost	87,212	54,861
Less: accumulated amortization	(22,125)	(15,113)
	65,087	39,748



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4. MINERAL PROPERTIES

	June 30, 2007	September 30, 2006
	\$	\$
Utupara (a)	190,000	190,000
Huilacollo (b)	20,000	20,000
Banos del Indio (c)	30,000	30,000
	240,000	240,000

- (a) **Utupara** copper-gold project – 100% owned by Alturas.
(b) **Huilacollo** gold project – Alturas holds an option on this advanced exploration project in the department of Tacna in the Peru-Chile border region.
(c) **Baños del Indio** gold project – Alturas holds an option to acquire the property located near Huilacollo in the Department of Tacna.

5. DUE TO EQUINOX MINERALS LIMITED

On March 31, 2006, Alturas issued a \$750,000 promissory note to Equinox Minerals in order to recognize the over contribution Equinox Minerals had made with respect to shareholdings in Alturas Peru. This promissory note is non-interest bearing and due on March 31, 2010. Alturas has the right to repay Equinox Minerals the principal amount in whole, or in part, at any time, and the promissory note is non-assignable. Details of the movement in the note balance are as follows:

	\$
Opening balance, December 31, 2005	970,715
Equinox Minerals contributions during the period	279,285
	1,250,000
Reduction for common shares issued in Alturas Private	(500,000)
	750,000
Ending balance, September 30, 2006	750,000
Reduction of promissory note through cash payments to Equinox	(375,000)
	375,000
Ending balance, June 30, 2007	375,000

The fair value of the promissory note has been estimated by management to be approximately \$330,701.



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6. SHARE CAPITAL

(a) Authorized capital

The number of authorized common shares and preferred shares is unlimited.

(b) Issued capital

	No. of Shares	Amount
		\$
Balance, September 30, 2006	32,960,406	6,873,219
Private placement (1)	20,000,000	7,468,424
Exercise of warrants	166,667	51,486
Balance, June 30, 2007	53,127,073	14,393,129

(1) On May 29, 2007, Alturas completed its brokered private placement (the "Issue") of 20,000,000 units (the "Units"), at \$0.50 (Canadian) per Unit for aggregate gross proceeds to the Company of \$10,000,000 (Canadian). Each Unit consisted of one common share of the Company (a "Common Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$0.65 (Canadian) for a period of 18 months (November 29, 2008) from the closing of the Issue. All securities issued in connection with the Issue, including the broker warrants issued to the agents entitling them to acquire 1,400,000 common shares at \$0.50 (Canadian) each for a period of 18 months (November 29, 2008) from the closing, are subject to a statutory hold period which expires on September 30, 2007.

Total cash costs associated with the Issue amounted to \$782,269.

The fair value of each common share was determined to be \$0.59 (Canadian) (the May 29, 2007 closing price of the common shares of the Company, on the principal stock exchange on which the shares trade). The fair value of the warrants and broker warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 54.6%; risk-free interest rate of 4.67% and an expected average life of 1.5 years. The estimated fair value of each warrant and broker warrant was determined to be \$0.15 (Canadian) and \$0.21 (Canadian) respectively. The fair value allocation of common shares, warrants and broker warrants, net of costs, is summarized as follows: (i) common shares - \$7,468,424 (\$7,956,859 Canadian); (ii) warrants - \$949,376 (\$1,011,465 Canadian); and (iii) broker warrants - \$186,078 (\$198,247 Canadian).



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7. STOCK OPTIONS

The following table reflects the continuity of stock options for the nine months ended June 30, 2007:

	Number of Stock options	Weighted average exercise price (\$) (In Canadian Dollars)
Balance, September 30, 2006 (1)(2)(3)	1,950,000	0.71
Granted (4)(5)	800,000	0.56
Balance, June 30, 2007 (6)	2,750,000	0.66

(1) On June 14, 2006, Alturas granted an aggregate of 1,635,000 incentive stock options to directors, officers and key employees, pursuant to the Company's Stock Option Plan, at an exercise price of \$0.65 (Canadian) per share. The options are exercisable for a period of five years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 90%; risk-free interest rate of 4.19% and an expected average life of 5 years. The estimated value of \$473,349 will be classified as stock-based compensation and credited to contributed surplus as the options vest. The options vest over two years as to one-third immediately, and one-third per year thereafter. For the three and nine months ended June 30, 2007, the impact on expenses was \$59,169 and \$177,509, respectively.

(2) On July 5, 2006, Alturas granted 75,000 incentive stock options to a consultant, pursuant to the Company's Stock Option Plan, at an exercise price of \$0.70 (Canadian) per share. The options are exercisable over a period of fifteen months. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 90%; risk-free interest rate of 4.42% and an expected average life of 15 months. The estimated value of \$9,377 will be classified as stock-based compensation and credited to contributed surplus as the options vest. The options vest over one year as to one-third immediately, one-third after six months and one-third after twelve months. For the three and nine months ended June 30, 2007, the impact on expenses was \$780 and \$4,429, respectively.

(3) On September 23, 2006, Alturas granted 190,000 incentive stock options to a consultant for investor relation services. The incentive stock options are exercisable over five years, priced as follows: 50,000 shares at \$0.75 (Canadian) per share; 50,000 shares at \$1.25 (Canadian) per share; 50,000 shares at \$1.50 (Canadian) per share; and 40,000 shares at \$1.75 (Canadian) per share. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 90%; risk-free interest rate of 3.89% and an expected average life of 5 years. The estimated value of \$54,413 will be classified as stock-based compensation and credited to contributed surplus as the options vest. The options vest over one year as to one-quarter after three months, one-quarter after six months, one-quarter after nine months and one-quarter after twelve months. For the three and nine months ended June 30, 2007, the impact on expenses was \$7,936 and \$51,012, respectively.



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7. STOCK OPTIONS (continued)

(4) On January 19, 2007, Alturas granted an aggregate of 300,000 incentive stock options to a director and a key employee, pursuant to the Company's Stock Option Plan, at an exercise price of \$0.65 (Canadian) per share. The options are exercisable over a period of five years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 90%; risk-free interest rate of 4.04% and an expected average life of 5 years. The estimated value of \$111,132 will be classified as stock-based compensation and credited to contributed surplus as the options vest. The options vest over two years as to one-third immediately, and one-third per year thereafter. For the three and nine months ended June 30, 2007, the impact on expenses was \$13,890 and \$60,196, respectively.

(5) On June 30, 2007, Alturas granted an aggregate of 500,000 incentive stock options to officers of the Company, pursuant to the Company's Stock Option Plan, at an exercise price of \$0.50 (Canadian) per share. The options are exercisable over a period of five years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 90%; risk-free interest rate of 4.57% and an expected average life of 5 years. The estimated value of \$168,951 will be classified as stock-based compensation and credited to contributed surplus as the options vest. The options vest over two years as to one-third immediately, and one-third per year thereafter. For the three and nine months ended June 30, 2007, the impact on expenses was \$56,317.

(6) The Company has 2,562,707 stock options available for grant as of June 30, 2007.



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7. STOCK OPTIONS (continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2007:

Expiry Date	Exercise price (\$) (In Canadian Dollars)	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested
September 10, 2010	0.30	50,000	50,000	-
June 14, 2011	0.65	1,635,000	1,090,000	545,000
October 29, 2007	0.70	75,000	50,000	25,000
August 31, 2011	0.75	50,000	37,500	12,500
August 31, 2011	1.25	50,000	37,500	12,500
August 31, 2011	1.50	50,000	37,500	12,500
August 31, 2011	1.75	40,000	30,000	10,000
January 19, 2012	0.65	300,000	100,000	200,000
June 30, 2012	0.50	500,000	166,667	333,333
		2,750,000	1,599,167	1,150,833

8. WARRANTS

The following table reflects the continuity of warrants for the nine months ended June 30, 2007:

	Number of Warrants	Weighted average exercise price (In Canadian Dollars)
		\$
Balance, September 30, 2006	7,627,012	0.72
Issued during the period	11,400,000	0.63
Exercised during the period	(166,667)	0.36
Balance, June 30, 2007	18,860,345	0.67



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8. WARRANTS (continued)

The following table reflects the actual warrants outstanding as of June 30, 2007:

Expiry Date	Number of warrants	Exercise price (In Canadian Dollars)	Black-Scholes Value on Issuance
		\$	\$
April 21, 2007	502,326	0.75	30,140
March 31, 2008	5,421,264	0.75	277,000
March 31, 2008	758,977	0.645	38,780
April 10, 2008	777,778	0.60	-
November 29, 2008	10,000,000	0.65	949,376
November 29, 2008	1,400,000	0.50	186,078
	18,860,345		1,481,374

9. 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 and nine months ended June 30, 2007 was \$162,055 and \$574,414 (three months ended June 30, 2006 - \$31,680 and nine months ended June 30, 2006 - \$204,680).

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 and nine months ended June 30, 2007 was \$97,353 and \$251,230 (three months ended June 30, 2006 - \$31,680 and nine months ended June 30, 2006 - \$114,180).

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 and nine months ended June 30, 2007 was \$7,200 and \$21,600 (three months ended June 30, 2006 - \$6,336 and nine months ended June 30, 2006 - \$27,936).

For the three and nine months ended June 30, 2007, the Company also paid \$64,651 and \$111,955 (three months ended June 30, 2006 - \$207,325 and nine months ended June 30, 2006 - \$207,325) to a legal firm in which a director of the Company is a partner.



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10. COMMITMENTS

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

		Period ended September 30,					
Property	Commitment Type	2008	2009	2010	2011	2012	Total
		\$	\$	\$	\$	\$	\$
(1)	Property fees	13,729	13,729	37,045	41,187	41,187	146,877
(2)	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
	Exploration	750,000	-	-	-	-	750,000
		1,996,000	1,546,000	46,000	46,000	46,000	3,680,000
(3)	Property fees	133,376	133,376	138,465	138,465	138,465	682,147
(4)	Property fees	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
	Exploration	750,000	-	-	-	-	750,000
	Total	2,163,964	1,713,964	253,760	257,902	257,902	4,647,492

- (1) Utopara**
- (2) Huilacollo**
- (3) Banos del Indio**
- (4) Huajoto**

The commitment amount of \$4,647,492 excludes the commitment amount of \$2,863,964 for the year ending September 30, 2007. As of June 30, 2007, \$3,633,076 has been spent which exceeds the commitment amount for fiscal 2007.



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11. OTHER EXPENSE (INCOME)

	Three months ended June 30, 2007	Three months ended June 30, 2006	Nine months ended June 30, 2007	Nine months ended June 30, 2006	Cumulative from inception on January 14, 2004
	\$	\$	\$	\$	\$
Interest income	(14,051)	(44,218)	(79,073)	(44,381)	(165,050)
Foreign exchange (gain) loss	(5,881)	(91,810)	104,410	(88,658)	(162,207)
	(19,932)	(136,028)	25,337	(133,039)	(327,257)

12. SEGMENTED INFORMATION

The Company is active in two countries and has one operating segment in Peru. Corporate administrative activities are conducted from Canada.

(a) Segmented assets

June 30, 2007

	Canada	Peru	Total
	\$	\$	\$
Current assets	8,842,555	241,510	9,084,065
Long-term assets	-	305,087	305,087
	8,842,555	546,597	9,389,152



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12. SEGMENTED INFORMATION (continued)

(a) Segmented assets (continued)

September 30, 2006

	Canada	Peru	Total
	\$	\$	\$
Current assets	4,951,233	304,834	5,256,067
Long-term assets	-	279,748	279,748
	4,951,233	584,582	5,535,815

(b) Segmented expenses

Nine Months Ended June 30, 2007

	Corporate	Exploration	Total
	\$	\$	\$
Exploration	-	3,633,076	3,633,076
General and administration	265,826	329,910	595,736
Amortization of property, plant and equipment	-	7,012	7,012
Stock-based compensation	349,463	-	349,463
Other expense (income)	22,790	2,547	25,337
	638,079	3,972,545	4,610,624

Three Months Ended June 30, 2007

	Corporate	Exploration	Total
	\$	\$	\$
Exploration	-	1,258,223	1,258,223
General and administration	82,831	70,599	153,430
Amortization of property, plant and equipment	-	2,471	2,471
Stock-based compensation	138,092	-	138,092
Other expense (income)	(18,601)	(1,331)	(19,932)
	202,322	1,329,962	1,532,284



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Three and nine months ended June 30, 2007

12. SEGMENTED INFORMATION (continued)

(b) Segmented expenses (continued)

Nine Months Ended June 30, 2006

	Corporate	Exploration	Total
	\$	\$	\$
Exploration	-	1,024,150	1,024,150
General and administration	93,141	84,962	178,103
Abandoned capital raising costs	-	91,448	91,448
Amortization of property, plant and equipment	-	5,101	5,101
Stock-based compensation	182,814	-	182,814
Other expense (income)	(137,215)	4,176	(133,039)
	138,740	1,209,837	1,348,577

Three Months Ended June 30, 2006

	Corporate	Exploration	Total
	\$	\$	\$
Exploration	-	353,463	353,463
General and administration	93,141	-	93,141
Amortization of property, plant and equipment	-	1,688	1,688
Stock-based compensation	182,814	-	182,814
Other expense (income)	(137,215)	1,187	(136,028)
	138,740	356,338	495,078

