ALTURAS MINERALS CORP.

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED
DECEMBER 31, 2019

July 14, 2020

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INTRODUCTORY NOTES

Cautionary Note Regarding Forward-Looking Information

This Annual Information Form contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation (as hereinafter defined), its subsidiaries and its projects, the timing and amount of estimated future capital, operating and exploration expenditures, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "General Development of the Business", "Description Of the Business", "Risk Factors" and "Exploration Projects" in this Annual Information Form. Although the Corporation 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 to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Annual Information Form and the Corporation disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, expect as required by law. 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.

Currency Presentation and Exchange Rate Information

This Annual Information Form contains references to United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars and United States dollars are referred to as "US dollars" or "US$".

The high, low, average and closing exchange rates for converting one United States dollar into Canadian dollars for each of the three years in the period ended December 31, 2019, as quoted by the Bank of Canada, were as follows:

	Year ended December 31		
	2019	**2018**	**2017**
High	1.3901	1.3642	1.3743
Low	1.2907	1.2552	1.2128
Average [(1)]	1.3269	1.2957	1.2986
Closing	1.3901	1.3642	1.2569

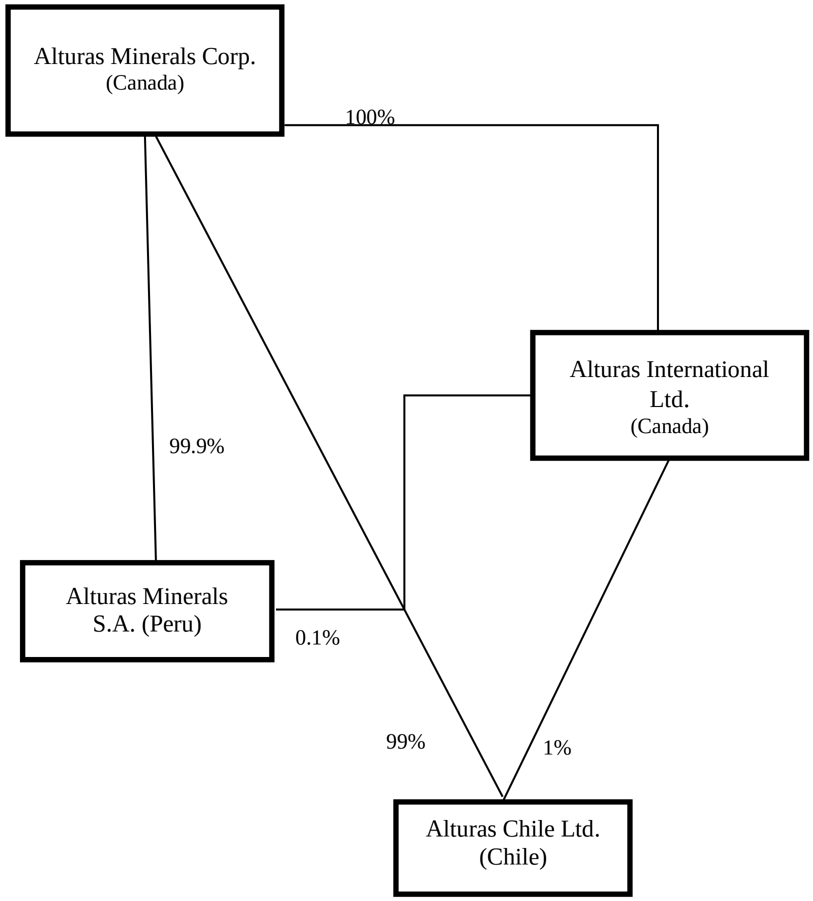
(1) Calculated as an average of the daily noon rates for each period.

On December 31, 2019, the noon exchange rate for Canadian dollars in terms of the United States dollar, as quoted by the Bank of Canada, was US$1.00 = C$1.3901. On July 14, 2020, the closing exchange rate for Canadian dollars in terms of the United States dollar, as quoted by the Bank of Canada, was US$1.00 = C$1.3616.

CORPORATE STRUCTURE

Alturas Minerals Corp. ("**Alturas**" or the "**Corporation**") was amalgamated under the *Canada Business Corporations Act* on April 6, 2006 pursuant to an amalgamation agreement dated as of February 8, 2006 (the "**Amalgamation Agreement**") between Iron Lake Minerals Inc. ("**ILM**"), 6516521 Canada Inc. and Alturas Minerals Corp. (the "**Amalgamation**"). In connection with the Amalgamation, the resulting issuer continued on the business of ILM and the Corporation under the name Alturas Minerals Corp. Alturas' registered and head office is at 372 Bay Street, Suite 301, Toronto, ON, Canada M5H 2W9 Alturas Minerals S.A. ("**Alturas Peru**") maintains corporate offices at Av. Javier Prado Este 1238, Corpac, San Isidro in Lima, Peru. The Corporation's principal subsidiaries are Alturas Peru and Alturas Minerals Chile Limitada. See also "General Development of the Business".

The following corporate chart sets out the current inter-corporate relationships of Alturas and its material subsidiaries, including the jurisdiction of incorporation of each corporation and the percentage of voting securities beneficially owned or over which control or direction is exercised, directly or indirectly, by Alturas.



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Corporation was reorganized in 2006 as a mineral exploration and development company with a focus on properties located in Peru. The Corporation's common shares (the "**Common Shares**") trade on the TSX Venture Exchange ("**TSXV**") and the Lima Stock Exchange.

The exploration philosophy of the Corporation has been to manage a portfolio of projects with the potential to host bulk/tonnage mineral deposits. When Alturas acquires a property, its primary strategy is to complete an initial drill program. The Corporation then seeks to advance projects with promising results either through further drilling by the Corporation or by seeking strategic partners for those projects requiring longer term development. The period from late 2006 until late 2008 was marked by intensive surface exploration and drill testing, with two projects being prioritized (being the Utupara Copper Gold Project and the Huajoto Zinc-Rare Earth- Gold-Silver Project both of which are described in more detail herein). During 2010 the Corporation conducted a drill program on the La Corina property located in Chile. During 2011, the Corporation undertook a drilling program on the optioned copper-gold-molybdenum Chapi Chapi Project. During 2012, the Corporation completed the first phase of drilling on the Utupara Project in the Apurimac region in Peru and entered into agreement to acquire two additional properties in the Maricunga belt in Northern Chile. Under difficult market conditions in 2013, the Corporation was unable to further any exploration targets during the year and worked to preserve as many of its assets as possible, while actively seeking new joint venture and financing partners. During 2014, the Corporation elected to abandon all of its properties in Chile to focus on maintaining its Peruvian assets in continuing difficult conditions. During 2015, the Corporation continued seeking joint venture and financing partners and to work on the Corporation's properties subject to the availability of funds. During 2016, the Corporation entered into option agreements with respect to both its Sombrero and Huajoto projects. During 2017, the Corporation continued to explore potential joint venture opportunities and completed a debt settlement of $628,582.35 on the issuance of 12,571,647 common shares. It also elected to abandon its interest in Utupara Project. During 2018, the Corporation continued to seek out opportunities to realize value for its shareholders given the continuing difficulties it faces in raising money in the junior resource sector. On February 5, 2018, the option agreement on the Huajoto Project was terminated and during 2019 Alturas decided not to renew the licences on this Project.

Three Year History

Andes Generating Corporation S.A.C.:

On May 26, 2014 the Corporation announced it had reached an agreement with Andes Generating Corporation S.A.C. ("**Ancorp**") to option the Corporation's Callejones property. Under the terms of the agreement, Ancorp was granted the right to acquire a 100% interest in the property by incurring US$200,000 in exploration expenditures in the first three years and making payments to Alturas totalling US$500,000 of which US$50,000 was paid on execution. Ancorp subsequently elected not to continue with the option and the Callejones property was abandoned. Concurrently with the exercise of the option agreement, the Corporation and Ancorp entered into a loan agreement pursuant to which Ancorp loaned Alturas the sum of US$100,000 for a term of one year. The loan was convertible in Alturas common shares and bears interest at 15% per annum. If Alturas was unable to repay the loan on the due date and Ancorp elected not to convert, the only recourse for Ancorp would be to reduce the option payments and/or expenditure commitments to Alturas under the option contact at the rate of US$2 for every $US1 not repaid. Ancorp was also granted 2,000,000 warrants with a term of one year. The conversion price and the exercise price of the warrants was set at $0.02 but the debt and the warrants could only be converted and/or exercised using that price if the Corporation undertakes a consolidation of at least 3 to 1 in which case the actual conversion price and exercise price will be $0.02 multiplied by the conversion ratio. If the debt were converted or the warrants exercised prior to such conversion happening, the price at which shares would be issued to Ancorp would be $0.05 to comply with the rules of the TSX Venture Exchange. While the Corporation obtained shareholder approval to consolidate at its annual meeting in July of 2015, the Corporation has not completed a consolidation in order to preserve its remaining cash.

During September 2015, Alturas and Ancorp signed an amendment to the terms of the loan referred to above (the "Original Note"), where Alturas issued a note (the "Amended Note") for $115,000 (corresponding to the principal of $100,000 on the Original Note, plus accrued interest of $15,000), carrying an annual nominal interest rate of 15% and payable on May 16, 2016. Alturas had the option to extend the Amended Note to May 16, 2017 which was done.

Under the terms of the Amended Note, Ancorp may convert the principal and accrued interest of the Amended Note into shares of the Corporation at a price of CDN$0.02 until the loan reaches maturity. However, as with the Original Note, the conversion price for the Amended Note is not in compliance with the requirements of the TSX Venture Exchange which requires a minimum conversion or exercise price of CDN$0.05. On completion of a share consolidation the conversion price would be determined by multiplying the consolidation ratio by CDN$0.02. The conversion price however cannot be below the CDN$0.05 established by TSX-V.

On January 23, 2018 the Company entered into an agreement with Ancorp where the expiry date of the Note is extended to January 18, 2019 and carries an annual interest rate of 15%. In addition, the Note has the following conditions:

•Ancorp. would have the right to convert its debt (in full or part of it) , including accrued interest, into Alturas capital stock at a price equal to the average price of Alturas shares in the Toronto stock exchange (the Exchange) for the previous ten trading days, with a minimum price floor as established by the Exchange regulations;

•If Alturas entered into a share subscription agreement were more than 51% of the shares issued and outstanding at the time were to be issued, Alturas will, before the closing of the transaction, to fully repay the Note, including accrued interest;

•If Alturas receives cash proceed exceeding $200,000 from the sale of mineral concessions, royalty payments or other assets, the Company will repay 20% of the excess toward the amortization of the Note;

•In addition, the Company agreed to pay toward the outstanding amount of the Note the amount of $15,335.85 (paid on January 24, 2018).

Auryn Resources Inc.:

On June 28, 2016 Alturas entered into a conditional option agreement with Auryn Resources Inc. (“Auryn”), where Alturas granted Auryn the option to earn up to 100% interest in the Sombrero project (the “Sombrero Option”). In order to earn the initial 80% interest in the Sombrero Property, Auryn must incur the following exploration expenditures on the following schedule with the Closing Date being June 28, 2016, which is the date of the Definitive Agreement:

	Work expenditure	Interest earned
Within 24 months after the Closing date	$100,000	0%
Within 48 month after the Closing Date	$500,000	0%
Within 60 month after the Closing Date	$1,500,000	80%

In addition, Auryn paid Alturas $140,000 in cash upon the execution of the option agreement and paid a further $60,000 during the first quarter of fiscal 2017.

Upon Auryn completing its requirements to earn an 80% in the Sombrero Project, the parties shall form a customary 80:20 joint venture. For the first year after the formation of the joint venture (the “Free Carried” period) Alturas’ 20% interest shall be “free carried”. Also, during this Free Carried period, Auryn would have the right to acquire the remaining 20% interest in the Sombrero Project from Alturas for $5 million.

Compañía Mineral Milpo S.A.A:

On June 28, 2016 the Corporation signed a letter of intent (“LOI”) with Compañía Minera Milpo S.A.A. (“Milpo”) where Alturas would grant Milpo the right to acquire up to 80% interest on its Huajoto Project. The terms of the option were:

(a) A conditional 3-year option (the “Option”) to acquire an 80% interest in the Huajoto concessions for a total payment of US$2 million (the “Acquisition Price”). The Option period would start as soon as Milpo obtained all authorizations, permits and licenses required to initiate its exploration activities.

(b) A 5-year assignment of the concessions (the “Assignment”), for Milpo to execute its exploration activities. The Assignment starts on the date of execution of the Agreement (the “Effective Date”).

In addition, in order to exercise the Option and acquire a participating interest for 80% of the Huajoto concessions, Milpo was required to advance the project and prepare within the 3-year period corresponding to the Option a 43-101-compliant Preliminary Economic Assessment (PEA) as defined under National Instrument 43-101.

During the Assignment period, Milpo was to make annual cash payments of US$200,000 each out of which Alturas agreed to cover Alturas´s commitments with previous owners of the properties and also to pay for the properties´ annual fees, the balance being considered as advance payments for the Acquisition Price.

If Milpo had completed its requirements to earn an 80% interest in the Huajoto Project, the parties were to form a customary 80:20 joint venture vehicle with the parties contributing pro-rata to all expenses and investments needed for the development of the project. If any of the parties dilutes its interest to less than 10%, it will be converted to a 1% net smelter royalty (NSR).

On February 5, 2018, Milpo discontinued its exploration in Huajoto and returned the property to Alturas.

During 2019 the Corporation decided not to renew its licences in the Huajoto property. Also, some additional licences that Alturas held in Huajoto originally belonged to Compañía Agregados Calcareos S.A. ("CAC") These licences were during 2019 returned to CAC.

Debt settlement agreements:

On December 12, 2017, Alturas announced that it had entered into debt settlement agreements with various creditors, including current and former directors and officers, to settle $628,582.35 in outstanding liabilities by issuing 12,571,647 common shares priced at $0.05 per share. $515,815 of this debt was held by current and former insiders of the Corporation.

Subsequent to December 31, 2019, the Company entered into a settlement agreement with Andes Generating Corporation SAC where Alturas paid $117,000 to settled all the outstanding balance with Andes, which at December 31, 2019, was $173,768.

DESCRIPTION OF THE BUSINESS

Alturas is the Canadian parent company through which the business of Alturas Peru is conducted. Alturas Peru is an exploration company formed in January 2004 for the specific purpose of investing in mineral exploration and development projects in Peru. In 2009, the Corporation also formed Alturas Minerals Chile Limitada to hold its interest in its former Chilean assets. This subsidiary is currently inactive as the Corporation abandoned its interests in its Chilean properties in 2014.

Alturas' strategic objectives are (i) to expand its operations from exploration to development through the discovery of economically exploitable mineralization, and (ii) to maximize shareholder returns. Alturas plans to capitalize upon the experience and understanding of Peru's mineral deposits possessed by its management team, based upon years of exploration and discovery involving various mineral projects. The local principals of Alturas have been involved in mining and exploration in Peru since the 1970's.

Alturas' activities to date have been directed towards acquiring gold and copper-gold exploration projects in Peru through direct ground staking of prospective mineralization zones, as well as through option and joint venture agreements. During 2017, Alturas abandoned its interest in one material exploration property, Utupara, and had optioned an 80% interest in Sombrero. In 2018 the option on the Huajoto property was abandoned and Alturas decided during 2019 to return and or not renovate its licences in such property. In addition, Alturas continues to have rights associated with the transfer of the Pampa Colorada project in 2010 (collectively with Sombrero, the "**Properties**"). The Sombrero project has undergone surface exploration, including geological mapping, geochemical sampling and geophysical surveys (IP and magnetic), based on which drill targets have been selected. See "Exploration Projects".

The success of the Corporation's business depends, in part, on its ability to attract management and personnel with specialized skills and knowledge in the mining industry. The Corporation's current management team and other contributors to our business possess experience in significant years and within the mining industry, as well as with the finance industry.

Competitive Conditions

Please see "Risk Factors – Competition".

Economic Dependence

The Corporation is subject to the same concerns as other junior exploration companies. It is dependent on its ability to acquire projects that demonstrate potential for mineralization and to maintain its interest in those projects.

Property Status

Huajoto Project, Peru

Alturas held a 100% interest in the Huajoto and Conaica mining concessions located in central Peru which Alturas entered with Compañía Minera Agregados Calcareos S.A. ("COMACSA") on August 29, 2007. Under the terms of the agreement COMACSA granted Alturas all its exploration rights in the Esperanza 1 (Huajoto) property for a period of five years, with COMACSA retaining a 5% net profit interest royalty on the property. The agreement establishes that if Huajoto does not enter into commercial production within ten years of the signature of the agreement Alturas will pay COMACSA the amount of $50,000 annually as advance of such royalty, until the project generate a profit. These advances would be deductible from future profits payable to COMACSA.

On June 28, 2016 the Company entered into an agreement with Compañía Minera Milpo S.A.A. ("Milpo") which was subsequently superseded by a definitive agreement dated January 18, 2017, to grant Milpo the option to acquire an 80% interest in the concessions.

In order to acquire an 80% interest, Milpo was required to pay to the Company $2,000,000 within three years of the initiation of exploration activities by Milpo. During this period, Milpo would pay the Company an annual cash payment of $200,000 out of which the Company will pay the annual land fees on the concession, and an annual advanced royalty of $50,000 to Compañía Agregados Calcareos S.A. The balance of the annual payment from Milpo was to be deducted from the final $2,000,000 payment to acquire its 80%.

During the first quarter of fiscal 2018, Milpo decided to terminate its option in Huajoto and returned the property to Alturas.

As part of its ongoing negotiations on Huajoto, the Company received during the second quarter of fiscal 2018, the amount of $10,000 as an option payment to secure the property from a non-related party.

During fiscal 2019 the Company decided to return and/or not renew its licenses in the Huajoto Property.

Sombrero Project, Peru

The Company holds a 100% interest in the Sombrero mining concessions located in southern Peru. On June 28, 2016, the Company entered into an agreement with Auryn resources Inc. ("Auryn") to grant Auryn the option to acquire up to 100% interest in the Sombrero concessions. The Company received $140,000 pursuant to the agreement. In order to acquire an initial 80% in the concessions, Auryn must incur a total of $2,100,000 in exploration expenditures in stages within five years and pay additional $60,000 within one year of the agreement (paid during the third quarter of fiscal 2017).

Upon completing the requirements to earn an initial 80% interest in the concession, the Company and Auryn will form an exploration joint venture. Auryn will have the right to acquire for a price of US$5 million the remaining 20% for a period of one year during which the remaining 20% interest retained by the Company will be on a "free carried" basis. If Auryn doesn't exercise the option and Alturas retains 20% interest in the joint venture company, Alturas will have to contribute its share of the company expenses. In case Alturas' interest is reduced to less than 10% its interest will be converted into a 1% NSR royalty.

Pampa Colorada Project, Peru

On October 29, 2010, the Corporation entered into an agreement with the Origen Group S.A.C. ("**Origen**") with respect to the Pampa Colorada property. Origen had originally been assigned the right to mine iron ore from this property for a period of ten years in consideration for royalty payments to the Corporation based on tonnage extracted on a declining scale starting at US$1.70 in year one with a minimum royalty payment of US$50,000 and ending in year 10 at US$0.90 with a minimum royalty payment of US$400,000. The arrangement was amended on December 29, 2011 pursuant to which Alturas transferred the Pampa Colorada Property directly to Origin in consideration for a payment of $1,200,000. Under the new arrangement, Origen will be required to make royalty payments of US$0.60

per ton based on the amount of iron ore extracted. Origen can reduce this to US$0.30 per ton on a declared resource if such royalty is paid within 15 days of advising Alturas of the resource determination. After 10 years the minimum annual royalty shall be US$250,000 regardless of production. Alturas has the right to reacquire between a 60% and 100% interest in this property for nominal consideration once Origen ceases to mine iron ore on the property or fails to meet its commitments under the agreement. Alturas therefore retains rights with respect to any other minerals that may be located on this property. Currently Origen has been unable to undertake any exploration work in the property due to social issues and maintains its rights claiming a force majeure situation as stated in the Pampa Colorada Agreement.

Utupara Project, Peru

Alturas abandoned its 100% interest in the Utupara claims in 2017.

Environmental Protection

For a description of certain contracts upon which the Corporation's business is substantially dependent, see "Risk Factors – Environmental Risks and Hazards".

Employees

As at December 31, 2019, the Corporation had two employees in Peru, of which one was in a management capacity. The Corporation also had one employee in Canada.

Foreign Operations

The Corporation is solely dependent upon foreign operations due to the fact that its exploration projects are located in Peru.

The following is based on Alturas' understanding of Peru and applicable Peruvian laws. In providing the disclosure below, Alturas relied principally upon the following publicly available sources believed by Alturas to be accurate: Government sources such as the Ministries of Mines, Central banks, other government sources such as Export Development Canada and the United States Department of State, Bureau of Western Hemisphere Affairs, international publications such as The Economist, Business News America, Market Watch, Latin American Weekly Report, other organizations such as the World Gold Council, Metals Economics Group, Bloomberg and publicly available corporate disclosure documents.

<u>Peru</u>

Location and Population

Peru is located in Western South America, bordering the South Pacific Ocean and covering a total area of approximately 1.3 million square kilometres. Peru also borders Bolivia, Brazil, Chile, Columbia and Ecuador and has a population of over 32 million making it the fourth most populous country in Latin America. The capital city is Lima which has a population of approximately 10 million.

Currency

Peru's official monetary unit is the Nuevo Sol. It is currently not subject to any exchange restrictions and has been freely floating since March 27, 1991. As at December 31, 2019, the daily average exchange rate was 0.3925 Nuevos Soles to one US Dollar.

Political Structure

Peru is a democratic republic governed by an elected government headed by a president. Despite a previous history of political instability under both civilian and military governments, Peru has been leaded by democratically elected governments in the last 38 years and has adopted and maintained a free-market economic policy for the last 25 years. No special taxes or registration requirements are imposed on foreign-owned companies and foreign investment in Peru is treated as equal to domestic capital. Peru has a developed mining infrastructure, a large pool of skilled technical and professional personnel and an established legal system. Legislation allows for full repatriation of capital and profits from Peru and the country's mining legislation offers access to mining concessions under an efficient cadastral/registration system.

Recent political developments in PeruOllanta Humala Tasso, the President of Peru for the period from 2011 – 2016 was succeeded by Mr. Pedro Pablo Kuczynski, a central-right oriented politician, who took office as President on July 28, 2016, after having narrowly defeated opponent Keiko Fujimori, daughter of imprisoned former president Alberto Fujimori, by a 50.12% to 49.88%.

Pedro Pablo Kuczynski, candidate of the Peruvians for Change party previously served in Alejandro Toledo's administration as Prime Minister (2005–2006) and Minister of Economy and Finance (2001–2002). He also served as Minister of Energy and Mines (1980–1982) in the second administration of Fernando Belaunde. The representation of the various political parties at the Peruvian Congress ended with Fujimori's Popular Force party having a majority of 73 congressmen against 18 for Kuczynski's Peruvian for Change party. In addition, the parties Broad Front for Justice, Life, and Liberty, Alliance for the Progress of Peru and Popular Alliance obtained 20, 9 and 5 congressmen.

On March 23rd, 2018, after a Congress' plenary session approved the letter of resignation of Mr. Pedro Pablo Kuczynski to the Presidency of the country. Peru's adherence to its constitution during this transition reflects its strength as a resilient democracy consistent with the principles articulated in the Inter-American Democratic Charter.

Standard & Poor's Global Ratings has said the resignation announcement of President Pedro Pablo Kuczynski has no immediate implications for its sovereign credit ratings on Peru (foreign currency: BBB+/Stable/A-2; local currency: A-/Stable/A-2). Fitch has also maintained its BBB+ investment grade rate for the country and Moody's Investors Service also announced they maintain Peru's credit rating on A3, as well as its stable outlook, within a context in which continuity in the orientation of the Government's policies is expected.

The vice-president, Martín Vizcarra, a Peruvian engineer and politician who previously served as Governor of the Moquegua Region (2011–2014), Minister of Transport and Communications of Peru (2016–2017), and Ambassador of Peru to Canada (2017–2018), assumed the Presidencial office demanding reforms against corruption and should have provided stability and support the ongoing economic recovery. However, due to strong divergences with the majority groups in the congress, on September 30th, 2019, President Martin Vizcarra announced the dissolution of Peru's national congress in accordance with Section 134 of the Constitution. This dissolution was officially enacted shortly thereafter by publication of Executive Order (Decreto Supremo) 165-2019-PCM. The order dissolved Congress and called for parliamentary elections in four months from then (Sunday, 26 January 2020). The election process of the new congressmen was completed in March 2020 and they were formally appointed on March 16, 2020 by the National Electoral Council.

During president Vizcarra government, three Ministers of Energy and Mines have been appointed:

- Dr. Francisco Ismodes (April 2, 2018 – 30 September 2019) served as general manager of Gestion Sostenible Peru, a company that advices and promotes the development of good practices and high standards in the social, environmental and corporate areas. He also worked as director of several local energy companies before taken this position.
- Eng. Juan Carlos Liu (October 3, 2019 - February 10, 2020) replaced Mr. Ismodes as Minister of Energy and Mines. Eng. Liu is a very experienced Peruvian electrical mechanical engineer from the National University of Engineering and has a master's degree in Administration from ESAN University, and also served as an advisor to the Ministry of Energy and Mines, the Supervisory Organism of Investment in Energy and Mines, the Ministry of Economy, the Finance and the International Finance Corporation (IFC) and the World Bank.
- Eng. Susana Vilca (from February 13, 2020 until now) replaced Mr. Liu as Minister of Energy and Mines. Eng. Susana Vilca is a mining engineer graduated from the Minister of Energy and Mines, who has worked for more than 25 years in the mining sector and has been involved in issues such as social responsibility, management, strategic

planning, among others, and a Master Degree in Technologies for Environmental Protection. Eng. Vilca has also been Vice Minister of Mining between August 2011 and January 2012 and a congresswoman in the 2006-2011 period.

Economy

Peru's economy has shown strong growth over the past years, helped by market-oriented economic reforms and privatizations in the 1990's, and the measures taken since 2001 to promote trade and attract investment. Traditionally, the economy of Peru was based on natural resources in fields such as mining, farming fishing, and agriculture. Lately, though, there has been a noticeable increase in slight industries, services and high technologies. In the period 2007-2013, the Peruvian economy grew 6.5% annually in average, the largest growth rate in all of South America and averaged an inflation rate of 2.5%, the lowest rate in the region. In the period 2014-2017 the Peruvian GDP growth and the inflation rates varied between 2.4% and 3.9% and between 2.8% and 4.4%, respectively, due to a lower growth of consumption and investment given the decline in terms of trade experienced by the country in the previous three years due to the global economic downturn.

A favourable external environment, prudent macroeconomic policies and structural reforms in different areas combined is required to create a scenario of high growth and low inflation. Between 2001 and 2010, the strong growths in employment and income have sharply reduced poverty rates. Moderate poverty fell from 43 percent in 2004 to 18 percent in 2017. Extreme poverty declined from 27 percent to 8 percent over the same period. Growth was driven by a strong accumulation of inventories and a recovery in exports. In contrast, in the last investment declined due to weak external economic conditions and slow execution of infrastructure projects at the local level. Private consumption decelerated due to deteriorating labour market conditions. GDP growth of Peru in 2017-21 will still be lower than in the past decade, although it will still remain above the regional average.

In the period 2014-2018 the Peruvian GDP growth and the inflation rates varied between 2.4% and 4.0% and the inflation rates between 2.2% and 4.4% due to a lower growth of consumption and investment given the decline in terms of trade experienced by the country in the previous three years due to the global economic downturn:

GDP growth- and inflation rates *reported* by the Peruvian Central Bank (BRCP) *for the period 2014-2019*:

Year	Annual GDP %	Inflation rate %
2014	2.4	3.2
2015	3.5	4.4
2016	3.9	3.6
2017	2.5	2.8
2018	4.0	2.2
2019	2.2	1.9

Forecasted GDP growth- and inflation-rates for 2020-2021 by the Peruvian Central Bank (BRCP) in its December 2019 report:

Year	Annual GDP %	Inflation rate %
2020	3.8	2.0
2021	3.8	2.0

It should be noted that the positive economic growth in 2014 and 2017 has been favoured by a significant increase of the country copper production. Copper production has increased from 1.4 million tons in 2014 to 2.6 million tons in 2018. Among other, two important new copper projects started construction in 2018, namely Quellaveco and Minsur with a capex investment of US$5.3 and US$1.6 billion, respectively, as part of a US$57.77 billion portfolio of mining investments that could increase the Peruvian copper production up to close to 5 million tons of copper. In 2016-2019, Peru has maintained its position as one of the world's top producer of minerals, second in silver, second in zinc, second in copper, sixth in tin, fourth in lead, fourth in molybdenum and fifth in gold. Mineral exports have consistently accounted for the most significant portion of Peru's export revenue (59% - 61% per year. Mining projects worth $57.77 billion are either in construction or undergoing the permitting phase, though several of them have been subject to delays due to local community opposition.

Besides it, according to S&P Global Market Exploration Trends 2018 report, Peru occupied the 4th position as one of the top 10 preferred destinations for exploration investment in 2018 with 6.33% of the total global budget and the 5th position in 2019 with 5.97% of the global investment in non-ferrous mineral exploration .

Mining Laws

Mining activities in Peru are subject to the provisions of the Uniform Text of Mining Law which was approved by Supreme Decree No. 14-92-EM on June 4, 1992. Under Peruvian law, the right to explore for and exploit minerals is granted by way of concessions. A Peruvian mining concession is a property related right, distinct and independent from the ownership of land on which it is located. The term of a concession is indefinite, provided that related annual fees are punctually paid and penalties for not reaching minimum production levels established by law are paid when applicable. The rights manifested in a mining concession are protected against third parties, transferable, chargeable and, in general, may be the subject of any transaction or contract. Mining concessions may be privately owned and no state participation is required. Buildings and other permanent structures used in a mining operation are considered real property accessories to the concession on which they are situated.

Annual Fees

Concession holders must pay an annual rent fee by June 30th of each year. The annual fee is currently US$3 per hectare. Concession holders must reach a minimum level of annual commercial production of at least one Peruvian tax unit (currently approximately US$1,260) per hectare in gross sales after 10 years of the date of the grant of the concession. If the concession has not been put into production within that period, a penalty will be applied equivalent to 10 times the value of minimum production due. The penalty can be avoided by demonstrating an investment greater than the applicable penalty. Failure to pay the annual fee or the applied penalty for two consecutive years will result in the termination of the concession. Mining concessions will be cancelled if the minimum production is not reached by the thirtieth year following the year in which the concession was granted.

Taxation and Royalties

Corporate net income is taxed at a rate of 28% of annual net income during 2015/2016 and will be reduced to 27% in years 2017/2018 and 26% in 2019, subject to an additional 6.8% tax applied to profits that are distributed to shareholders this factor is applicable during years 2015/2016 and will then increase to 8.0% in 2017/2018 and 9.3% in 2019. Advance monthly payments are required on a percentage of gross income, subject to a final settlement in March of the following business year (January 1st through December 31st). There are currently no restrictions on the ability of a company operating in Peru to transfer foreign currency to or from Peru or to convert Peruvian currency into foreign currency.

In June, 2004, Peru's congress approved a bill to allow royalties to be charged on mining projects. The royalties payable on Peruvian mine production were at the following rates: 1.0% for sales up to US$60 million; 2.0% for sales between US$60 million and US$120 million; and 3.0% for sales greater than US$120 million. In the case of copper, the percentage royalty is a net smelter returns royalty, which cost is deductible for income tax purposes.

On late September, 2011, Peruvian President Humala signed three bills raising taxes and royalties on the mining sector into law. Miners will now pay royalties of between 1% and 12% of their operating profits and a windfall profits tax of 2% to 8.4% of their net profits. The replacement of the previous regime, under which mining firms paid royalties at rates of between 1% and 3% on net sales, is expected to generate an extra US$1.1 billion annually. Mining companies protected by tax stability agreements signed with the government in the 1990s and do not currently pay royalties will be charged a "special contribution" of between 4% and 13.12% of their operating profits. The new regime will apply for a period of five years to fund infrastructure projects and create employment in the nation's poorest regions. All these royalties, taxes and contributions are deductible expenses for income tax purposes.

Furthermore, the following incentives apply for mining investment:

- Early VAT recovery for mining companies in the exploration stage
- Special tax depreciation for mining companies with a stability agreement and for mining equipment and machinery in general.

Ownership of Mining Rights

Pursuant to the Uniform Text of Mining Law:

- no restrictions are placed on the remittance of dividends, depreciation and royalties outside of Peru;
- mining rights may be forfeited for non-payment of annual fees or penalties for two consecutive years;
- Mining rights will be be cancelled if the minimum production is not reached by the thirtieth year following the year in which the concession was granted.
- equal rights to explore for and exploit minerals by way of concession may be granted to either Peruvian nationals or foreigners (except with respect to areas within 50 kilometres of Peruvian national borders, in which case foreigners require a specific authorization); and
- the right to sell mining production freely in world markets is established.

Peru has become party to agreements with the World Bank's Multilateral Investment Guarantee Agency and with the Overseas Private Investment Corporation.

Foreign Exchange Controls

There are no restrictions on the ability of a company operating in Peru to transfer foreign currency to or from Peru to other countries or to convert Peruvian currency into foreign currency.

Environmental Laws

The Peruvian Ministry of Energy and Mines establishes an environmental protection policy and proposes maximum allowable levels for effluents, signs environmental administrative stability agreements. The Ministry of Environment is the entity in charge of supervising environmental obligations corresponding to mining companies.

Pursuant to Supreme Decree 38-98-EM approved on November 30, 1998, concession holders are required to obtain an environmental permit from the Directorate for Environmental Affairs in order to carry out exploration and development activities. Mining companies are responsible for the control of emissions, discharges of effluent and disposal of all by-products resulting from their operations, and for the control of substances that may impose any hazard, either due to excessive concentrations or prolonged exposure.

An exploration permit is only required in respect of surface drilling and is not required for underground drilling.

Mine Closure and Remediation

On October 14, 2003, the Peruvian government published Law 28090 "Mine Closure Law" which establishes provisions relating to mine closure plans. For existing mining operations, the law provides that a mine closure plan must be submitted for certification to the Peruvian Ministry of Energy and Mines within a one-year period, after the law comes into effect.

The law provides that a mine must grant an environmental warranty for the estimated costs associated with its mine closure plan. The law does not establish when such warranties must be in place nor does the law specify the form of the required warranty. However, the law indicates that a warranty may take the form of insurance, cash collateral, a trust agreement or other forms as permitted by the Peruvian law. The Mine Closure Law became effective on August 16, 2005 with the enactment of the enabling regulations.

Juridical Stability Agreement

Exploration activities on projects that demand an equity investment of more than US$10 million allow the foreign investor to enter into a Juridical Stability Agreement ("**JSA**") with the State. This agreement would guarantee juridical stability for a term of ten years with respect to dividend taxes, the right to access foreign currency, the right to use the most favourable exchange rate available, the right to remit profits and capital abroad and the right to non-discrimination.

As the stability of this type of agreement refers to a specific investment amount, successive agreements can be executed and be effective simultaneously. A local subsidiary receiving equity investment of more than US$10 million over a two-year period can also enter into a JSA with the State for the purpose of stabilizing the income tax regime for a ten-year term, the hiring regime for workers, export schemes, as well as the IGV Early Recovery Regime.

Mining Stability Agreement

Once a project's feasibility study is completed and if the investment programmes are not less than US$20 million, the operator is entitled to execute a Mining Stability Agreement ("**MSA**") with the Peruvian State that covers taxation, foreign exchange and trade guarantees for a term of 15 years beginning in the year that the committed investments are completed and approved. At the request of the operator, the stability period may be brought forward prior to completion and approval of the required investments, up to a maximum of eight years.

The MSA will guarantee the operator the stability of the tax regime, the tax refund mechanisms, custom duties, municipal taxes, water licenses and mining good standing fees. The operator would be subject to the tax regime in force on the date the feasibility study is approved by the Ministry of Energy and Mines, and will not be subject to any other tax created at a later date. Other guarantees that the MSA would grant to the operator are:

- Free availability of export-related foreign currency, both within the country and abroad;
- Non-discrimination as to the exchange rate used as a basis to convert into national currency the FOB value of exports and/or local sales, it being understood that the most favourable exchange rate is to be granted for foreign trade operations;
- Free sale of mineral products;
- Stability with respect to special regimes, in the event that they are granted, for tax refunds, temporary imports, etc.; and
- Non-modification on a unilateral basis of the guarantees granted under the MSA.

Agreements have been signed by the Peruvian government with affiliates of the World Bank and with the Overseas Private Investment Corporation ("**OPIC**") to insure foreign investors against such non-commercial risks such as expropriation and abrogation of contracts. Peru has signed the Agreement for the Constitution of the Multinational Investment Guarantee Agency, a World Bank agency, and the Agreement for Investment Insurance with the United States and OPIC, and the World Bank Convention on the Settlement of Investment Disputes. Although these agreements, as ratified by the Peruvian Congress, allow investors to insure against non-commercial risks such as expropriation and abrogation of contracts, subsequently elected governments could revoke these agreements. These multinational agencies provided their backing, and the backing of their governments, in petitioning governmental compensation in the event of expropriation. As a result of these agreements, agencies such as OPIC are able to provide specific project risk insurance and project financing at the time of development.

Alturas' Social and Environmental Policies

Alturas' future and its ability to deliver value to shareholders depends not only on its ability to discover and develop economic mineral deposits, but also at the same time to protect the rights and well-being of its employees, those of local communities and the environment. Alturas understands these responsibilities and follows industry best practice in dealings with all stakeholders.

All Alturas employees and contractors receive the training necessary to ensure that they understand our social and environmental policies and how our operations might affect external stakeholders.

Social:

- The Corporation is committed to behaving in a socially responsible manner through the complete mining life cycle, from exploration to mine development to mine closure.
- The Corporation believes that its operations can and will have a positive impact on the development of the regions in which it is operating. However, the Corporation recognizes that its operations may impact directly in the shorter term and that the concerns and needs of the communities affected may be of a more long term nature.
- The Corporation will always seek to identify, and to conduct dialog with, the stakeholders impacted by its operations.
- The Corporation believes that open dialogue with local and regional communities is essential in understanding their concerns and needs.
- The Corporation is committed to transparency by providing continuous information updates to those parties affected by the Corporation's operations, promoting a spirit of mutual trust, confidence and partnership.
- The Corporation will always seek to incorporate local community concerns and needs into all of its development plans.
- The Corporation is committed to employing locally, and will seek to enhance the skills of local people through on-the-job training.
- The Corporation is committed to sharing in its success by partnering in local sustainable development programs, either in a technical advisory capacity, or by providing seed funds to advance work programs that might be funded in the future by other government and non-government sources.
- The Corporation will make all efforts necessary to obtain permission from holders of surface property rights to conduct its exploration and mining operations.
- The Corporation is an equal opportunity employer, and values and respects all of its employees regardless of gender, creed or race. We are committed to respecting universal human rights and to providing a safe workplace.
- The Corporation will maintain the highest standards of accountability to the Peruvian public, through timely payment of all taxes and royalties to which it is liable. Corrupt practices such as bribery of public officials will not be tolerated.

Environmental:

- The Corporation is committed to behaving in an environmentally responsible manner, through the complete mining life cycle, from exploration to mine development to mine closure. It maintains industry best practice standards of environmental conduct.
- The Corporation will always seek to comply with the environmental protection laws operative in the countries in which it conducts its operations.
- The Corporation will always seek to identify environmental sensitivities pertinent to its areas of operation, and to set in place the necessary safeguards to minimize the impact of its operations and to ensure the preservation of floral and faunal diversity.
- The Corporation will conduct the relevant environmental studies to establish and document the base line situations of its areas of operations.
- The Corporation will seek to rehabilitate areas of its operations to best replicate the original environment.
- The Corporation will not conduct exploration and/or mining operations within areas of national parks, or within natural, cultural or any other type of reserve, that would be in breach of local regulations.

RISK FACTORS

The operations of the Corporation are speculative due to the high-risk nature of its business and its stage of development. These risk factors could materially affect the Corporation's future operating results and could cause actual events to differ materially from those described herein.

No History of Mining Operations

The Corporation has a limited history of operations, is in the early stage of development and should be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the foreseeable future.

Going Concern

Current market conditions make it very difficult for junior exploration companies to raise funds. The Corporation is currently unable to actively explore its properties. While it has reduced its cash expenditures in order to preserve assets, the Corporation will continue to need additional working capital to maintain its properties. There can be no assurance that such funds will be available. As at December 31, 2019, the Corporation had a working capital deficit of $2,464,832.

Highly Speculative Business

The nature of the Corporation's business is highly speculative due to its proposed involvement in the exploration, development and production of minerals. Exploration for minerals involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that any commercial quantities of ore will be discovered by the Corporation. The commercial viability of a mineral deposit, if discovered depends upon a number of factors including the particular attributes of the deposits (principally size and grade), the proximity to the infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes base metal prices to fluctuate substantially over short periods of time. Most of these factors are beyond the control of the Corporation. Mineral exploration and development are highly speculative and few properties that are explored are ultimately placed into commercial production. The investment involves a high degree of risk and should only be considered by those persons who can afford a total loss of their investment. Investors must rely on management of the Corporation and those who are not prepared to do so should not invest.

Early Stage Properties

The properties, in which the Corporation has an interest are in various stages of exploration and are without either resources or reserves. The proposed activities on these properties are exploratory searches for mineral deposits and development of such will only follow upon obtaining satisfactory results. The exploration for and the development of minerals involves a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that the Corporation's exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term success of the Corporation's operations will be in large part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Dependence on Mineral Exploration Projects

Any adverse development affecting the progress of Alturas' exploration projects such as, but not limited to, obtaining financing on commercially suitable terms, hiring suitable personnel and contractors, or securing supply agreements on commercially suitable terms, may have a material adverse effect on Alturas and its business or prospects.

Exploration, Development and Operational Risk

The exploration for, and development of, mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties, which are explored, are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices which are highly cyclical, and government regulations including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Alturas not receiving an adequate return on invested capital.

Alturas does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by Alturas towards the search for, and evaluation of, mineral deposits will result in discoveries of commercial quantities of ore.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals. Such hazards and risks include unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

Competition

The mining industry is competitive in all of its phases. Alturas faces strong competition from other exploration and mining companies in connection with the acquisition of properties producing or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Alturas. As a result of this competition, Alturas may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the financial condition and any future revenues and operations of Alturas could be materially adversely affected.

Currency Risks and Fluctuations

Alturas' proceeds from offerings of its securities and other financing activities are typically received in Canadian dollars while a significant portion of its operating expenses will be incurred in Nuevo Sols and other foreign currencies. From time to time Alturas may borrow funds and will incur capital expenditures that are denominated in foreign currency. Accordingly, foreign currency fluctuations may adversely affect Alturas' financial position and operating results.

The effect on operating costs and, hence, on cash flows, of the foreign exchange rate and the escalation of the Peruvian Nuevo Sol may be significant. The appreciation of the Peruvian Nuevo Sol against the U.S. dollar could eventually increase the costs of exploration and development, which could materially and adversely affect Alturas' revenues, results of operation and financial condition.

Environmental Risks and Hazards

All phases of Alturas' operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Alturas' operations. Environmental hazards may exist on the properties in which Alturas holds interests which are unknown to Alturas at present and which have been caused by previous or existing owners or operators of the properties.

Government Regulation, Permits and Licences

Alturas' mineral exploration and potential development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied which manner, which could limit or curtail exploration, development or production. Many of the mineral rights and interests of Alturas are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that Alturas will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, Alturas may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Where required, obtaining necessary permits and licenses can be a complex, time consuming process and Alturas cannot assure that required permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict Alturas from proceeding with the development of an exploration project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of such mining activities, and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Alturas and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Metal Prices

The development and success of any project of Alturas will be primarily dependent on the future price of gold and other metals. Gold and base metal prices are subject to significant fluctuation and are affected by a number of factors, which are beyond the control of Alturas. Such factors include, but are not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold and other precious and base metals has fluctuated widely in recent years, and future serious price declines could cause any future development of and commercial production from Alturas' properties to be impracticable. Depending on the price of gold and other metals, projected cash flow from planned mining operations may not be sufficient and Alturas could be forced to discontinue any development and may lose its interest in, or may be forced to sell, some of its properties. Future production from Alturas' mining properties is dependent on gold and base metal prices that are adequate to make these properties economic.

Furthermore, reserve calculations and life-of-mine plans using significantly lower gold and other metal prices could result in material write-downs of Alturas' investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting Alturas' possible future reserve estimates and its financial condition, declining commodity prices may impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Risk of Foreign Operations

In Peru, the jurisdiction in which Alturas has mineral properties and operations, such mineral properties and operations are subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, expropriation, nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, in the event of a dispute arising from foreign operations, Alturas may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in the United States or Canada. Alturas also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for Alturas to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on Alturas' operations.

In 2017, Peru has maintained its position as one of the world's top producer of minerals, second in silver, second in zinc, second in copper, sixth in tin, third in lead, fourth in molybdenum and sixth in gold. Mineral exports have consistently accounted for the most significant portion of Peru's export revenue, comprising 62% in 2017. Mining projects worth $52 billion are either in construction or undergoing the permitting phase, though many have been subject to delays due to local community opposition.

Access to Power and Water

The current supply of water and electrical power may be limited in some of Alturas' project areas. Alturas may need to increase such supplies at the site if and when it is ready to develop any project. There can be no assurance that Alturas will be able to secure the additional water and additional electrical power supply necessary in order to carry out full development of a project.

Commodity Hedging

As Alturas' projects are still at the exploration stage, it does not have a policy to hedge future metal sales. If put into place, there is no assurance that a commodity hedging program designed to reduce the risk associated with fluctuations in metal prices will be successful. Hedging may not adequately protect against declines in the price of the hedged metal. Although hedging may protect Alturas from a decline in the price of the metal being hedged, it may also prevent Alturas from benefiting fully from price increases.

Dependence on Historical Exploration Data

The exploration potential of Alturas' projects has been partially assessed to a significant extent on historical exploration data generated by a number of companies, largely during the 1990's. The assessment of mineral potential is a function, in part, of the exploration work and drilling executed by Alturas, which has been subject to QA/QC procedures, and to a certain extent of the quantity and quality of the available historical data, and, given its uncertainties, internal resource estimates.

Joint Venture Strategy

Alturas' business strategy includes continuing to seek new joint venture opportunities. In pursuit of such opportunities, Alturas may fail to select appropriate joint venture partners or negotiate acceptable arrangements, including arrangements to finance such opportunities or, where necessary, integrate the acquired businesses and their personnel into Alturas' operations. Alturas cannot assure that it can complete any business arrangement that it pursues on favorable terms, or that any business arrangements completed will ultimately benefit Alturas' business.

Reliance on Management and Key Employees

The success of the operations and activities of Alturas is dependent to a significant extent on the efforts and abilities of its management, a relatively small number of key employees, outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its key employees, outside contractors, experts and other advisors. Alturas does not have in place formal programs for succession of management and training of management nor does it have key person insurance on its key employees. The loss of one or more of these persons, if not replaced, could adversely affect Alturas' operations and financial performance.

No Assurance of Titles, Boundaries or Approvals

Titles to Alturas' properties may be challenged or impugned, and title insurance is generally not available. Alturas' mineral properties that have been acquired from third parties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, Alturas may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. Alturas cannot assure that it will receive the necessary approval or permits to exploit any or all of its mineral projects in the future. The failure to obtain such permits could adversely affect Alturas' operations.

Capital Requirements

Alturas will require significant capital in order to fund its operating costs, to service future indebtedness and to explore and develop any project. Alturas has no revenues and is wholly reliant upon external financing to fund all of its capital requirements. Alturas will require additional financing from external sources to meet such requirements. There can be no assurance that such financing will be available to Alturas or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of Alturas, the interests of shareholders in the net assets of Alturas may be diluted. Any failure of Alturas to obtain financing on acceptable terms could have a material adverse effect on Alturas' financial condition, prospects, results of operations and liquidity and require Alturas to cancel or postpone planned capital investments.

Dividend Policy

No dividends on the Alturas Common Shares have been paid to date. Alturas anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the board of directors after taking into account many factors, including Alturas' operating results, financial condition, and current and anticipated cash needs.

Uninsured Risks

Alturas' business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Alturas' properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Although Alturas maintains insurance to protect against certain risks in such amounts, as it considers commercially reasonable, its insurance will not cover all of the potential risks associated with its operations. Alturas may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration is not generally available to Alturas on affordable and acceptable terms. Alturas might also become subject to liability for pollution or other hazards which may not be insured against or which Alturas may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Alturas to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Conflicts of Interest

Certain directors and officers of the Corporation are or may become associated with other natural resource companies which may give rise to conflicts of interest. In accordance with the *Canada Business Corporations Act*, directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Corporation. The directors and officers of the Corporation have either other full-time employment or other business or time restrictions placed on them and accordingly, the Corporation will not be the only business enterprise of these directors and officers.

EXPLORATION PROJECTS

Alturas' principal property until 2019, when it licenses were returned to its original owners or not renewed, was the Huajoto mineral exploration project located in central Peru. The Sombrero Project has now been optioned to Auryn and Alturas will not be conducting any further exploration activities on this project while it is under option.

Other Exploration Projects

Alturas has entered into an option agreement with respect to its Sombrero Project. It also has rights associated with the development of the Pampa Colorada Project.

DIVIDENDS

The Corporation has not paid any dividends since its incorporation. The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Any determination to pay any future dividends will be at the discretion of the Corporation's board of directors and will be made taking into account its financial condition and other factors deemed relevant by the board.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of preference shares (the "**Preference Shares**"), issuable in series. As of December 31, 2019, 144,882,503 Common Shares and no Preference Shares were issued and outstanding. As at March 31, 2020 the outstanding capital consisted of 144,882,503 Common Shares. In addition, at December 31, 2019 there were 10,500,000 options outstanding. At March 31, 2019 there were 10,500,000 options outstanding. In addition, the Corporation has granted to Ancorp the ability to convert its debt into common shares. The number of common shares is unknown at this time as it will depend on whether the Corporation completes a consolidation.

Common Shares

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Corporation, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Corporation's board of directors at its discretion from funds legally available therefore and upon the liquidation, dissolution or winding up of the Corporation are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preference Shares

The Preference Shares may, at any time or from time to time, be issued in one or more series. The Corporation's board of directors shall fix before issue, the number of, the consideration per share of, the designation of, and the provisions attaching to the shares of each series. Except as required by law or as otherwise determined by the Corporation's board of directors in respect of a series of shares, the holder of a Preference Share shall not be entitled to vote at meetings of shareholders. The Preference Shares of each series rank on a priority with the Preference Shares of every other series and are entitled to preference over the Common Shares and any other shares ranking subordinate to the Preference Shares with respect to priority and payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation.

MARKET FOR SECURITIES

Trading Price and Volume

The Corporation is a Tier 1 issuer, with its Common Shares listed and posted for trading on TSXV under the symbol "ALT". The following table sets forth information relating to the trading of the Common Shares on TSXV for the 12 months ended December 31, 2019:

Month	**High**	**Low**	**Volume**
January, 2019	$0.02	$0.01	2,798,000
February, 2019	$0.01	$0.01	1,120,000
March, 2019	$0.01	$0.01	2,524,000
April, 2019	$0.01	$0.01	4,000
May, 2019	$0.01	$0.01	405,500
June, 2019	$0.02	$0.01	271,000
July, 2019	$0.02	$0.01	924,700
August, 2019	$0.02	$0.01	1,951,500
September, 2019	$0.01	$0.01	130,000
October, 2019	$0.01	$0.01	1,382,500
November, 2019	$0.01	$0.01	985,000
December, 2019	$0.01	$0.01	92,600

The price of the Common Shares as quoted by TSXV at the close of business on December 31, 2019 was CAD$0.01.

The Corporation's Common Shares were listed and trading commenced on the Bolsa de Valores de Lima (BVL) on June 25, 2008. Alturas' listing on the BVL is sponsored by Credibolsa, Peru's largest brokerage firm and the trading arm of Banco de Credito, Peru's largest bank**.**

DIRECTORS AND OFFICERS

The following table sets forth the name, province/state and country of residence, position held with the Corporation and principal occupation of each person who is a director and/or an officer of the Corporation.

Name and Province and Country of Residence[(1)]	Position(s) with the Corporation	Principal Occupation For Proceeding Five Years
Miguel Cardozo [(1)] Lima, Peru	President, Chief Executive Officer and Director	CEO of Corporation since inception until March, 2009 and again from June, 2010. He has uninterruptedly been a Director of the Corporation since its inception until the present. Independent Businessman and international Consultant.
Walter Henry [(1) (2)] Ontario, Canada	Chairman of the Board and Director	Chairman of Alexandria Minerals Corporation since September, 2012. Chief Executive Officer of Frontline Gold Corporation since 2010.
Augusto Baertl[(1)] Lima, Peru	Director	President, Chief Executive Officer, Gestora de Negocios e Inversiones S.A. and Horizonte Corporativo ONG.
Tom Hussey Ontario, Canada	Director	Chartered Accountant, Director of Frontline Gold Corp., Platinex Inc. and Folkstone Capital Corp.; Formerly CFO of N-Dimension Solutions Inc.; Formerly VP and CFO of Brampton Engineering Inc.; Formerly Vice-President and CFO of Wallbridge Mining Co; Director of Orillia Power Corporation.
Mario Miranda Ontario, Canada	Chief Financial Officer	Consultant since July 1, 2009. President Finterra Consulting Inc. since June, 2000 and Director and Chief Financial Officer Folkstone Capital Corp. since February, 2013.

Notes:

(1) Member of the Audit Committee. Each member of the Audit Committee is financially literate, has an understanding of the accounting principles used by the Corporation to prepare its financial statements and an understanding of internal controls and procedures for financial reporting in accordance with Multilateral Instrument 52-110. Each member of the Audit Committee is also independent within the meaning of National Instrument 52-110.

(2) Member of the Compensation Committee.

As at March 31, 2020, the directors and executive officers of the Corporation, as a group, beneficially owned, directly and indirectly, or exercised control or direction over 11,306,620 Common Shares, representing 8.5% of the total number of Common Shares outstanding before giving effect to the exercise of options or warrants to purchase Common Shares held by such directors and executive officers. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Corporation as a group is based upon information furnished by the directors and executive officers or otherwise publicly available at www.sedi.ca

The principal occupations, businesses or employments of each of the Corporation's directors and officers within the past five years are disclosed in the brief biographies set forth below:

Dr. Miguel Cardozo – Dr. Cardozo has over 43 years of gold and base metals experience throughout the Americas, holding senior management roles with companies such as Newmont, North Ltd. and Teck Cominco, as well as in consulting roles to Placer Dome, Minandex, Asumin, Comarsa and Aurion Gold. As Senior Geologist with Newmont between 1985 and 1995, Dr. Cardozo was responsible for the exploration program that led to the discovery of the Yanacocha gold district, and the Galeno copper-gold porphyry in Peru. He is a member of the Society of Economic Geologists, the Colegio de Ingenieros del Perú-Capítulo de Ingenieros Geólogos, the Instituto de Ingenieros de Minas del Perú, and the Sociedad Geológica del Peru. He is also a former President of the Explorers Association of Peru, of the Mining Committee of the Canada Peru Chamber of Commerce and of the Organizing Committee of the Peruvian Delegation to PDAC 2009-2013.

Mr. Augusto Baertl – Mr. Baertl is a Mining Engineer who has held a number of senior positions with national and international mining companies in Peru. He served as Mine Manager, President and CEO of Compañía Minera Milpo, one of Peru's largest mining companies, from 1967 to 1996. From 1997 to 2002, Mr. Baertl served as President and Executive Chairman of Compañía Minera Antamina and oversaw the exploration, feasibility and startup stages. He is a member of the American Institute of Mining Metallurgical and Petroleum Engineers (AIME), the Instituto de Ingenieros de Minas del Perú and the Colegio de Ingenieros del Perú- Capítulo de Minas.

Mr. Walter Henry – Mr. Henry holds the CFA designation and has over 16 years of experience in capital markets financing, international project financing, and corporate bank financing in a wide spectrum of industries, with an emphasis on resource sector financings. He is currently the Chief Executive Officer of the Frontline Gold Corporation and Chairman of Alexandria Minerals Corporation. From 2007 to 2010, Mr. Henry was the Vice-President, Finance and Chief Financial Officer of Royal Nickel Corporation. Mr. Henry has previously held the positions of CFO for Juno Special Situations Corp, Alturas Minerals Corp. and Tiberon Minerals Ltd., Manager at CIBC World Markets and Assistant Vice President, Mining and Infrastructure, within the Financial Advisory Services Group of Price Waterhouse Coopers Securities Inc. Prior to joining Pricewaterhouse Coopers Securities Inc., Mr. Henry in 1998 joined BNP Paribas Canada, in the Energy, Mining and Project Finance Group.

Mr. Tom Hussey – Mr. Hussey, CPA, C.A. currently is a member of the board of directors and on the audit committee of Frontline Gold Corporation , Platinex Inc. and Folkstone Capital Corp. listed on the TSX –V He has also been and currently is a member on the board of directors of many organizations both private and volunteer not for profit organizations. Tom has been a member of the Canadian Institute of Chartered Accountants for over 40 years and is a KPMG alumnus. Over the last 30 years Tom has held senior positions including senior VP and CFO in many companies in the Packaging industry as well as equipment manufacturing. Most recently retiring as executive CFO of a Cyber Security protection company. Tom was also the CFO of Wallbridge Mining Company in the early years prior to and also after the company went public.

Mr. Mario Miranda – Mr. Miranda has extensive financial and strategic planning experience within diverse resource and manufacturing organizations in Canada and Latin America. Over his career of more than 20 years, he has been involved in mergers and acquisitions, and in delivering comprehensive financial structures and reporting systems, with various companies. Recent clients have included Kinross Gold Corporation, White Pine Resources Inc., Southampton Ventures Inc., Lake Shore Gold Corp. and International Nickel Ventures Corporation. Mr. Miranda is a Canadian citizen who was born in Chile and educated in Montreal, Canada. He is fluent in English, Spanish and French.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or officers of the Corporation is, or within the past ten years prior to the date hereof has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

(1) was subject to a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(2) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person,

(1) Penalties or Sanctions

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or have entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision other than Mario Miranda who on January, 2001 entered into a settlement agreement with the Ontario Securities Commission where Mr. Miranda was required to pay $5,000 to the Commission and cease trading in all securities for a period of six month. Mr. Miranda was a director and chief financial officer of MacDonald Oil Explorations Ltd. from January, 1998 to July, 2000. Between December, 1996 and August, 1999 Mr. Miranda failed to file timely insider reports on options granted and expired. MacDonald Oil also contravened different sections of the Ontario Securities Act including failing to file financial statements and information circulars on a timely basis, issuing stock options below minimum price and issuing shares in settlement of a debt.

(2) Individual Bankruptcies

None of the directors or officers of the Corporation has, within the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

To the best of the Corporation's knowledge and other than as disclosed herein, there are no existing or potential conflicts of interest among the Corporation, its promoters, directors, officers or other members of management of the Corporation except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies and their duties as a director, officer, promoter or management of the Corporation.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty to any of its directors and officers.

LEGAL PROCEEDINGS

There are no legal proceedings.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described in the 2019 Financial Statements and the 2019 MD&A incorporated by reference in this document, no director, executive officer or 10% shareholder of the Corporation or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Corporation.

TRANSFER AGENT, REGISTRAR AND AUDITORS

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta.

Davidson & Company LLP, at its offices in Vancouver, British Columbia, were first appointed in November of 2015, and continue as auditors to the Corporation.

MATERIAL CONTRACTS

During the past two years, the Corporation or its predecessors and subsidiaries have not entered into any contracts which are currently material other than:

1. Loan agreement with Hanaq Peru SAC for $60,000 on June 2018.

2. Revised agreements with Ancorp loan of US$115,000 on January 2018

3. Loan option agreement with Auryn resources Inc. for $60,000 on March 2019.

INTERESTS OF EXPERTS

None of Gardiner Roberts LLP, and Davidson & Company LLP, Chartered Accountants, or any director, officer, employee or partner thereof received or has received a direct or indirect interest in the property of the Corporation or of any associate or affiliate of the Corporation. As at the date hereof, none of the aforementioned individuals, companies and partnerships, nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Corporation or its associates and affiliates.

No director, officer, partner or employee of any of the aforementioned companies and partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associates or affiliates of the Corporation, except as noted above.

AUDIT COMMITTEE

The responsibility of the Audit Committee of the Corporation is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and related financial information, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

Audit Committee Charter

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Corporation's board of directors. The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the section of the Audit Committee charter entitled "Authority". The Audit Committee's chart may be found attached to this AIF at "Exhibit A – Audit Committee Charter".

Composition of the Audit Committee

The current members of the Corporation's Audit Committee are Walter Henry (Chair), Augusto Baertl and Tom Hussey. All members of the Audit Committee members are "financially literate" within the meaning of National Instrument 52-110 – Audit Committees ("**NI 52-110**"). All members of the audit committee are also independent within the meaning of NI 52-110.

Relevant Education and Experience of Audit Committee Members

For details on the relevant experience of each member of the Audit Committee please see the biographical paragraphs on pages 46 and 47 hereof.

Reliance on Certain Exemptions

The company is currently not relying on any exemptions from the requirements of NI52-110.

Pre-Approval Policies and Procedures

The Corporation's Audit Committee Charter provides that the Audit Committee is responsible for reviewing and, where appropriate, approving the provision of all audit and non-audit services (including the fees and terms thereof) by the external auditors. Generally, approval must be provided in advance of the provision of the services; however, in appropriate and permitted circumstances the approval may be given after the provision of such services.

External Auditor Service Fees

The aggregate fees billed to the Corporation by the Corporation's external auditors in each of the last two fiscal years for (i) audit services ("**Audit Fees**"), (ii) assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in Audit Fees ("**Audit-Related Fees**"), (iii) professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning ("**Tax Fees**") and (iv) products and services provided by the Corporation's external auditor, other than Audit Fees, Audit-Related Fees and Tax Fees ("**All Other Fees**"), are as follows:

	Year Ended December 31, 2019	**Year Ended December 31, 2018**	**Year Ended December 31, 2017**
	CAD$	CAD$	CAD$
Audit Fees	25,000	21,500	21,500
Audit Related Fees	Nil	Nil	Nil
Tax Fees	5,000	3,500	3,500
All Other Fees	Nil	Nil	Nil
Total Fees	**$30,000**	**$25,000**	**$25,000**

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Corporation's information circular for its most recent annual meeting of shareholders that involved the election of directors, and additional financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial reporting periods.

The Corporation will provide to any person, upon request to the Secretary of the Corporation:

a) when securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:

i. one copy of the Annual Information Form of the Corporation, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;

ii. one copy of the comparative financial statements of the Corporation for its most recently completed financial year together with the report of the auditor and one copy of any interim financial statements of the Corporation subsequent to the financial statements for its most recently completed financial year;

iii. one copy of the management information circular in respect of the most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared in lieu of that information circular, as appropriate, and

iv. one copy of any other documents incorporated by reference into the preliminary short form prospectus or the short form prospectus not required to be provided under (i) to (iii) above; or at any other time, one copy of any other documents referred to in (a), (i), (ii) and (iii) above, provided that the Corporation may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation

EXHIBIT "A"

ALTURAS MINERALS CORP.

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

Name

There shall be a committee of the Board of Directors (the "Board") of Alturas Minerals Corp. (the "Company") known as the Audit Committee (the "Committee").

Purpose

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations. The primary functions and areas of responsibility of the Committee are to:

- review, report and provide recommendations to the Board on the annual and interim consolidated financial statements and related Management's Discussion and Analysis ("MD&A");
- identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
- make recommendations to the Board regarding the appointment, terms of engagement and compensation of the external auditor;
- monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- resolve disagreements between management and the external auditor regarding financial reporting;
- receive the report of the external auditors, who must report directly to the Committee; and
- provide an avenue of communication among the Corporation's external auditors, management, and the Board.

Composition and Qualifications

All Committee members shall meet all applicable requirements prescribed under the *Business Corporations Act* (Ontario), as well as any requirements or guidelines prescribed from time to time under applicable securities legislation, including National Instrument 52-110 as amended, restated or superseded. The Committee shall be comprised of not less than three directors as determined from time to time by the Board. While it is not necessary for members to have a comprehensive knowledge of generally accepted accounting principles and standards, all members of the Committee shall be financially literate. so as to be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues raised by the Corporation's financial statements. A director who is not financially literate may be appointed to the Audit Committee by the Board provided that such director becomes financially literate within a reasonable period following his or her appointment, and provided that the Board has determined that such appointment will not materially adversely affect the ability of the Committee to act independently.

Committee members shall be appointed by the Board. The Board shall designate the Chair of the Committees. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfils its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, and at least once in each fiscal quarter. A notification for each of the meetings shall be prepared and disseminated to Committee members two (2) days prior to the meeting. A majority of the members of the Committee shall constitute a quorum for meetings. An agenda shall be prepared by the Chair of the Committee as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting. The Committee should meet privately at least once per year with senior management of the Corporation, the Corporation's external auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed.

Specific Responsibilities and Duties

Specific responsibilities and duties of the Committee shall include, without limitation, the following:

General Review Procedures

1. Review and reassess the adequacy of this Charter at least annually and submit any proposed amendments to the Board for approval.
2. Review the Corporation's annual audited financial statements, related MD&A, and other documents prior to filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
3. Annually, in consultation with management and external auditors, consider the integrity of the Corporation's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the external auditors together with management's responses.
4. Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board of Directors.
5. Review with financial management and the external auditors the Corporation's quarterly financial results, related MD&A and other documents prior to the filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Discuss any significant changes to the Corporation's accounting principles. The Chair of the Committee may represent the entire Committee for purposes of this review.

External Auditors

1. The external auditors are ultimately accountable to the Committee, as representatives of the shareholders. The external auditors must report directly to the Committee, who shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant. The Committee shall approve the compensation of the external auditors.
2. The Committee must approve all non-audit and tax services to be provided to the Corporation or its subsidiary entities, unless such non-audit and tax services are reasonably expected to constitute not more than 20% of the total fees paid by the Corporation to the external auditor during the particular fiscal year.
3. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the auditor's independence.
4. Review the external auditors audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.
5. Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors. Discuss any matters that are required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

6. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting.

Legal Compliance

1. On at least an annual basis, review with the Corporation's counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Other Miscellaneous Responsibilities

1. Annually assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board.
2. Prepare and disclose a summary of the Mandate to shareholders.
3. Perform any other activities consistent with this Mandate, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Authority

The Committee shall have the authority to:

1. delegate approval-granting authority to approve non-audit and tax services by the external auditor to one or more of its members;
2. engage independent counsel and other advisors as it determines necessary to carry out its duties;
3. set and pay the compensation for any advisors employed by the Committee; and
4. communicate directly with the external auditors.

Reporting

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

Resources

The Committee shall have full and unrestricted access to all of the Corporation's books, records, facilities and personnel as well as the Corporation's external auditors and shall have the authority, in its sole discretion, to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall further have the authority to retain, at the Corporation's expense, such special legal, accounting or other consultants or experts as it deems necessary in the performance of its duties and to request any officer or employee of the Corporation or the Corporation's external counsel or auditors to attend a meeting of the Committee.

Limitation on the Oversight Role of the Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject. Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such persons or organizations. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.