

ALTO VENTURES LTD.
(An Exploration Stage Company)

Interim Financial Statements

September 30, 2007 and 2006

Un-audited

Management Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management and are in accordance with Canadian generally accepted accounting principles. Other information contained in this document has also been prepared by management and is consistent with the data contained in the financial statements. A system of internal control is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has a process in place to evaluate internal control over financial reporting. Based on that evaluation, management has concluded that internal control over financial reporting was effective as of September 30, 2007.

The board of directors approves the financial statements and ensures that management discharges its financial responsibilities. The board's review is accomplished principally through the audit committee. The audit committee meets periodically with management and the auditors to review financial reporting and control matters.

“Kenneth P. Judge”
Chairman of the Board and CEO

“Mike Kozioł”
President

November 16, 2007
Vancouver, British Columbia

Alto Ventures Ltd.
(An Exploration Stage Company)
Interim Balance Sheets

Statement 1

As at
Canadian Funds
Unaudited

ASSETS	September 30, 2007	June 30, 2007
Current		
Cash and cash equivalents	\$ 159,575	\$ 301,123
Marketable securities <i>(Note 3)</i>	13,250	17,500
Receivables	107,660	97,010
Due from joint venture partner	50,000	-
Quebec Exploration Tax Credit receivable	23,038	23,038
Prepaid expenses and deposits	26,926	26,025
	380,449	464,696
Mineral Properties <i>(Note 5)</i>	4,669,529	4,652,648
Property and Equipment <i>(Note 4)</i>	7,786	8,417
	\$ 5,057,764	\$ 5,125,761

LIABILITIES

Current		
Accounts payable and accrued liabilities	\$ 90,218	\$ 52,381
Advances from related parties <i>(Note 7)</i>	3,335	3,335
Joint venture exploration advances payable	53,072	-
	146,625	55,716

SHAREHOLDERS' EQUITY

Share Capital <i>(Note 6a)</i>	12,033,090	12,030,090
Contributed Surplus <i>(Note 6a and 6b)</i>	841,847	853,996
Deficit - <i>Statement 2</i>	(7,959,548)	(7,814,041)
Accumulated Other Comprehensive Income - <i>Schedule</i>	(4,250)	-
	4,911,139	5,070,045
	\$ 5,057,764	\$ 5,125,761

Going Concern and Nature of Operations *(Note 1)*
Subsequent events *(Note 13)*
Commitments *(Notes 10)*

ON BEHALF OF THE BOARD:

"David Cowan"
David Cowan
Director

"Mike Koziol"
Mike Koziol
Director

The accompanying notes are an integral part of these interim financial statements

Alto Ventures Ltd.*(An Exploration Stage Company)***Interim Statements of Loss and Deficit***Canadian Funds**Unaudited*Statement 2

	Three month period ended September 30, 2007	Three month period ended September 30, 2006
Expenses		
Salaries and wages	\$ 27,514	\$ -
Investor relations and shareholder information	25,992	38,002
Office and miscellaneous	20,027	24,838
Administrative services	16,536	17,958
Directors' fees	15,000	12,000
Professional fees	12,909	13,291
Travel and promotion	9,974	606
Rent	8,246	8,641
Consulting fees	7,500	8,500
Stock-based compensation	4,002	-
Transfer agent and regulatory fees	1,789	1,655
Amortization	631	576
Management fees	-	10,500
Interest and bank charges	-	783
	<hr/> 150,120	<hr/> 137,350
Other Income		
Joint venture management fees	(2,448)	-
Interest income	(2,165)	(1,973)
	<hr/> (4,613)	<hr/> (1,973)
Net Loss for the Period	145,507	135,377
Deficit - Beginning of Period	<hr/> 7,814,041	<hr/> 7,199,434
Deficit – End of Period	<hr/> \$ 7,959,548	<hr/> \$ 7,334,811
Weighted Average Shares Outstanding	<hr/> 66,089,043	<hr/> 55,132,532
Loss per Share – Basic and Diluted	<hr/> \$ 0.00	<hr/> \$ 0.00

The accompanying notes are an integral part of these interim financial statements

Alto Ventures Ltd.*(An Exploration Stage Company)***Interim Statements of Comprehensive Loss***Canadian Funds**Unaudited*Schedule

	Three month period ended September 30, 2007		Three month period ended September 30, 2006
Net Loss for the period	\$ 145,507	\$	135,377
Other Comprehensive Income			
Unrealized loss on available for sale securities	4,250		-
Total Comprehensive Loss	\$ 149,757	\$	135,377

The accompanying notes are an integral part of these interim financial statements

Alto Ventures Ltd.*(An Exploration Stage Company)***Interim Statements of Cash Flows***Canadian Funds**Unaudited*Statement 3

	Three month period ended September 30, 2007	Three month period ended September 30, 2006
Cash Resources Provided By (Used In)		
Operating Activities		
Net loss for the period	\$ (145,507)	\$ (135,377)
Items not affected by cash:		
Amortization	631	576
Stock based compensation	4,002	-
Changes in non-cash working capital items:		
Increase in prepaids and deposits	(900)	(28,508)
Increase (decrease) in receivables	(10,650)	65,102
Increase in due to (from) joint venture partner	3,073	-
Increase (decrease) in accounts payable and accrued liabilities	37,836	(78,401)
Net cash used in operating activities	(111,515)	(176,608)
Financing Activities		
Advances from related parties	-	(15,817)
Net provided by financing activities	-	(15,817)
Investing Activities		
Deferred exploration costs	(57,554)	(151,864)
Joint venture recovery of exploration costs	49,480	-
Acquisition of mineral properties	(21,959)	(160,000)
Net cash used by investing activities	(30,033)	(311,864)
Net decrease in Cash and Cash Equivalents	(141,548)	(504,289)
Cash and cash equivalents - Beginning of Period	301,123	587,712
Cash and Cash Equivalents - End of Period	\$ 159,575	\$ 83,423

Supplementary Cash Flow Information *(Note 9)*

The accompanying notes are an integral part of these interim financial statements

Alto Ventures Ltd.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

1. Going Concern and Nature of Operations

Alto Ventures Ltd. ("the Company") is engaged in the acquisition, exploration and development of Canadian gold projects. The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as mineral properties and deferred costs represent expenditures incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. While these financial statements have been prepared on a going concern basis which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business there are conditions and events that cast substantial doubt on the validity of that assumption. Its ability to continue as a going concern is dependant upon the ability of the Company to raise equity financing, the ability to meet property commitments and administration costs, the discovery of economically recoverable reserves and the attainment of profitable operations. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant Accounting Policies

As a precise determination of certain assets and liabilities is dependant on future events, the preparation of the financial statements involves the use of estimates based on careful judgement and actual results could differ from such estimates. The financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

a) Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash and cash equivalents to include amounts held in banks and highly liquid debt investments with an original maturity date of three months or less. The Company places its cash and cash investments with institutions of high credit worthiness.

b) Loss per Share

Loss per share is computed by dividing losses attributable to common shareholders by the weighted average number of common shares outstanding during the period. The dilutive effect of outstanding options and warrants and their equivalents are reflected in diluted earnings per share by application of the treasury stock method. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted loss per share by application of the "if converted" method.

Alto Ventures Ltd.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

2. Significant Accounting Policies - *Continued*

c) Financial Instruments – Recognition and Measurement

On July 1, 2007, the Company adopted Section 3855 of the CICA Handbook which establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities, including derivatives, be recognized on the Balance Sheet when the Company becomes a party to contractual provisions of the financial instrument or a derivative contract. All financial instruments should be measured at fair value on initial recognition except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other liabilities.

Financial assets and financial liabilities held-for-trading are measured at fair value with gains and losses recognized in the Company's loss for the period. Financial assets held-to-maturity, loans and receivables and financial liabilities, other than those held-for-trading, are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and losses including changes in foreign exchange rates being recognized in OCI. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost. Derivative instruments must be recorded on the balance sheet at fair value including those derivatives that are embedded in financial instruments or other contracts but are not closely related to the host financial instrument or contract, respectively. Changes in the fair values of derivative instruments are recognized in the Company's loss for the period, except for derivatives that are designated as a cash flow hedge, the fair value change for which is recognized in OCI. Section 3855 permits an entity to designate any financial instrument as held-for-trading on initial recognition or adoption of the standard, even if that instrument would not otherwise satisfy the definition of held-for-trading set out in Section 3855.

Other significant accounting implications arising on adoption of Section 3855 include the initial recognition of certain financial guarantees at fair value on the balance sheet and the immediate expensing of any related transaction costs, fees or premiums.

The fair value of amounts due to and from related parties is estimated to approximate carrying value. Fair value adjustments, if any, are not reasonably determinable by management as comparable interest rate and risk profiles are not available.

Net smelter return ("NSR") royalties and related purchase provisions associated with mineral property interests represent derivatives that are financial instruments. The fair value of such instruments, where reserves and economic feasibility have not been established, cannot be readily determined with reliability. Accordingly, management has not made a determination of fair value for these financial instruments.

The Company's financial instruments consist of cash and cash equivalents, marketable securities, receivables, Quebec exploration tax credit receivable, advances from related parties, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Alto Ventures Ltd.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

2. Significant Accounting Policies - Continued

d) Stock-based compensation

All stock-based awards made to employees and non-employees are measured and recognized using a fair value based method. The Company recognizes compensation expense for each grant on the later of the date of regulatory approval of the grant and the date of vesting, as applicable.

For newly granted options, compensation expense is based on the fair value of the options at the grant date. For any options that have alteration in their conditions, compensation expense is based on the fair value of the options on the alteration date less the fair value of the original options based on the shorter of the remaining expanded life of the old option or the expected life of the modified option.

e) Property and Equipment

Property and equipment are valued at cost less accumulated amortization. The Company provides for amortization for all property and equipment classes using the declining balance method at rates between 20% and 45% and applies only one-half of the applicable rate in the year of acquisition.

f) Asset Retirement Obligations

Asset retirement obligations are recognized when a legal or constructive obligation arises. This liability is recognized at the fair value of the asset retirement obligation. When the liability is initially recorded the Company capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, the Company may incur a gain or loss. As at June 30, 2007, the Company does not have any asset retirement obligations.

g) Income Taxes

The Company accounts for income taxes using the asset and liability method. Future income taxes are recognized for the tax consequences of "temporary differences" by applying enacted or substantively enacted statutory tax rates applicable to future years on differences between the financial statement carrying amounts and tax basis of existing assets and liabilities. The effect on future taxes for a change in tax rates is recognized in income during the period that includes the date of enactment or substantive enactment. In addition, the method requires the recognition of future tax benefits to the extent that realization of such benefits is more likely than not.

Alto Ventures Ltd.

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Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

2. Significant Accounting Policies - Continued

h) Mineral Properties

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Mineral exploration and development costs are capitalized on an individual prospect basis until such time as an economic ore body is defined or the prospect is sold, abandoned, or determined to be impaired. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its mineral properties, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

The Company assesses its capitalized mineral property costs on a regular basis. A property is written-down or written-off when the Company determines that a permanent impairment of value has occurred or when exploration results indicate that no further work is warranted.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments is recorded as a gain on option or disposition of mineral property.

i) Mineral Exploration Tax Credits ("METC")

The Company recognizes METC amounts when the amount to be received can be reasonably estimated and collection is reasonably assured.

j) Property Option Agreements

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received.

k) Impairment of Long-Lived Assets

The Company assesses the impairment of long-lived assets, which consist primarily of property, plant and equipment, whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value of the asset to its fair value. If such assets are considered to be impaired, the amount of the impairment is measured by the amount by which the carrying amount of the asset exceeds its fair value.

Alto Ventures Ltd.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

2. Significant Accounting Policies - Continued

l) Share Capital

- i) The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.
- ii) Share capital issued for non-monetary consideration is recorded at an amount based on fair market value.
- iii) The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis on relative fair values as follows: the fair value of the common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

m) Joint Venture Accounting

A portion of the Company's exploration activities is conducted jointly with others when the Company enters into agreements that provide for specified percentage interests in mineral properties. Joint venture accounting, which reflects the Company's proportionate interest in mineral properties is applied by the Company only when the parties enter into formal comprehensive agreements for ownership and mining participation terms.

3. Marketable Securities

Marketable securities consist of 50,000 shares of Wescan Goldfields Inc. ("WGF") on September 30, 2007. (2006 – nil) with a market value of \$13,250 and cost of \$17,500. For the period ended September 30, 2007, \$4,250 has been recorded as an un-realized loss and recorded to other comprehensive income. June 30, 2006 market securities consisted of 60,000 shares of Noront Resources Inc. ("Noront") market value of \$10,200 and book value of \$9,000. The Company's current/past share ownership in WGF and Noront was minimal and do not result in control or significant influence over either WGF or Noront.

4. Property and Equipment

	September 30, 2007		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 22,539	\$ 14,753	\$ 7,786
Furniture and equipment	1,676	1,676	-
	\$ 24,215	\$ 16,429	\$ 7,786

	June 30, 2007		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 22,539	\$ 14,122	\$ 8,417
Furniture and equipment	1,676	1,676	-
	\$ 24,215	\$ 15,798	\$ 8,417

Alto Ventures Ltd.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

5. Mineral Properties

The following table shows the activity from July 1, 2007 to September 30, 2007:

Property	June 30, 2007	Acquisitions	Deferred Explorations	JV Recovery	September 30, 2007
Alcudia Claims	\$ 128,541	\$ -	\$ -	\$ -	\$ 128,542
Coldstream Property	776,517	-	1,630	-	778,147
Cote Archie Lake Property	272,005	-	4,697	(25,000)	251,702
Cote 801 JV Property	3,564	17,548	137	-	21,249
Despinassy JV Property	1,212,140	-	1,975	-	1,214,115
Dog Lake Property	232,546	-	-	-	232,546
Greenoaks Gold Property	540,847	2,799	1,217	-	544,863
Mud Lake Property	323,863	-	23,902	(24,480)	323,285
Oxford Lake Property	928,222	-	384	-	928,606
Empress-Ridout Property	63,886	-	-	-	63,886
Other exploration properties	170,516	1,612	10,460	-	182,589
Total Mineral Properties	\$ 4,652,648	\$ 21,959	\$ 44,402	\$ (49,480)	\$ 4,669,529

The following table shows the activity from July 1, 2006 to June 30, 2007:

Property	June 30, 2006	Acquisitions	Deferred Explorations	JV and Tax Credit Recovery	June 30, 2007
Alcudia Claims	\$ 108,774	\$ -	\$ 19,767	\$ -	\$ 128,541
Coldstream Property	614,059	-	162,458	-	776,517
Cote Archie Lake Property	204,381	15,000	52,624	-	272,005
Cote 801 JV Property	-	3,564	-	-	3,564
Despinassy JV Property	985,554	150,000	99,624	(23,038)	1,212,140
Dog Lake Property	231,928	-	618	-	232,546
Greenoaks Gold Property	457,072	-	83,775	-	540,847
Mud Lake Property	146,846	5,000	189,517	(17,500)	323,863
Oxford Lake Property	922,529	-	5,693	-	928,222
Empress-Ridout Property	26,277	-	37,609	-	63,886
Other exploration	91,734	-	82,346	-	170,516
Total Mineral Properties	\$ 3,789,154	\$ 170,000	\$ 734,032	\$ (40,538)	\$ 4,652,648

Alto Ventures Ltd.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

5. Mineral Properties – Continued

Mineral Property Costs	September 30, 2007	June 30, 2007
Line cutting, trenching and blasting	\$ 30,600	\$ 43,829
Acquisition and claim staking	21,959	200,270
Geological surveys	8,250	2,195
Mapping	5,771	48,940
Management and planning of projects	4,550	55,186
Data compilation and digitizing	4,352	26,835
Prospecting	4,183	26,123
Assessment reports and filing works	1,645	53,628
Assays	722	(2,617)
License, permits and taxes	480	36,498
Diamond drilling	-	365,360
Stock based compensation	(16,151)	47,411
Travel, camp and other expenses	-	374
Exploration tax credits	-	(23,038)
JV partner contribution	(49,480)	(17,500)
Mineral Property Costs for the Period	16,881	863,494
Mineral Property Costs – Beginning of Period	4,652,648	3,789,154
Mineral Property Costs – End of Period	\$ 4,669,529	\$ 4,652,648

a) Alcudia Claims

Pursuant to an agreement dated February 22, 1996 the Company acquired from Alcudia Capital Incorporated (“Alcudia”) a 100% interest in 20 mineral claims located in Urban Township, Province of Quebec. As consideration, the Company issued 100,000 common shares valued at \$10,000. The property is subject to a 2% net smelter return royalty (“NSR”) in favour of Alcudia in which a former director has an interest.

b) Coldstream Property

Pursuant to a letter of agreement dated August 1, 2002 with Hidefield Gold, PLC (“Hidefield”), a company with directors in common with the Company, the Company acquired a 100% interest in 71 contiguous patented claims and licenses of occupation in the Burchell Lake area, Thunder Bay, Ontario. As consideration, the Company issued 800,000 shares valued at \$80,000 to Hidefield and expend \$100,000 in exploration expenditures over a three-year period. The property is subject to a 2% NSR. The Company also staked twenty mining claims adjoining the property.

Alto Ventures Ltd.

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Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

5. Investment - Mineral Properties - Continued

b) Coldstream Property - Continued

On May 16, 2006, the Company acquired 100% interest in 416 hectares immediately west of the existing property from Inco Ltd ("Inco"). The claims were acquired by making a cash payment of \$20,000 and issuing 250,000 common shares valued at \$43,750. There are no royalties and the property is in good standing till 2010.

Pursuant to an agreement dated May 8, 2006, the Company acquired a 100% interest in 3 mineral claims located in the Burchell Lake area, Thunder Bay, Ontario. The consideration for the acquisition was a cash payment of \$4,000 (paid) and the issuance of 50,000 common shares (issued) of the Company valued at \$10,000. The vendors retain a 2.0% NSR royalty which the Company has the right to buyout 1% of the NSR at anytime for \$1,000,000.

c) Oxford Lake Property

By agreements dated June 4, 2004 the Company purchased the Oxford Lake Gold property located in the Gods Lake area of northern Manitoba from Hidefield, a company with directors in common with the Company, and Anglo Pacific Group plc (Symbol "APF"), in consideration for 4,000,000 common shares (issued) of the Company to Hidefield and 4,000,000 common shares (issued) to APF.

By agreement dated March 22, 2005, the Company acquired a 100% interest in an additional 150 hectares on the Oxford Lake property. Consideration for the acquisition was a cash payment of \$25,000 (paid) and the issuance of 200,000 common shares (issued) of the Company. Further, the vendor retained a 2.5% NSR royalty of which the Company can repurchase 1% for \$1,000,000.

In addition to this acquisition, also on June 4, 2004, the Company has been granted a 5,516 hectare mineral exploration permit surrounding the Company's existing claims.

d) Despinassy JV Property

Pursuant to an agreement dated September 30, 2004, the Company acquired a 70% interest in the Despinassy property from Cameco Corporation by making a one time payment of \$150,000.

On May 8, 2007, the Company received a confirmation letter establishing the new participation interest in the Despinassy Joint Venture as 75.5% for the Company and 24.5% for Commander Resources Ltd.

e) Greenoaks Gold Property

By agreements dated June 4, 2004, the Company acquired the Greenoaks Gold property comprising 15 leasehold patents located in the Beardmore-Geraldton Gold District, Northwest Ontario from Hidefield in consideration for 4,500,000 common shares (issued) of the Company.

Alto Ventures Ltd.

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Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

5. Investment – Mineral Properties - *Continued*

f) Dog Lake Property

By agreements dated June 4, 2004, the Company purchased the Dog Lake Gold property located approximately 14 kilometres southwest of Missinabie, Ontario from Hidefield in consideration for 2,200,000 (issued) common shares of the Company.

g) Mud Lake Property

By an agreement dated August 1, 2004, the Company acquired a 100% interest in the Mud Lake property by making cash payments totalling \$40,000 and issuing 150,000 common shares of the Company (issued and paid). The vendors retain a 2.5% NSR and the Company has the right to buyback 1.5% of the NSR for \$500,000.

On June 13, 2007, the Company entered into an Option Agreement with Wescan Goldfields Inc. (“Wescan”). Under the term of the agreement, Wescan has the option to earn a 50% interest in the Mud Lake property by issuing 50,000 Wescan shares to Alto on execution of the agreement (shares received), issuing 50,000 Wescan shares upon the first anniversary date of the agreement, and issuing 50,000 Wescan shares upon the second anniversary of the agreement. In addition, Wescan is required to spend \$250,000 on exploration before the first anniversary date of the agreement and a further \$350,000 before the second anniversary date of the agreement. Alto will remain the project operator until a positive pre-feasibility is completed at which time, Wescan will have the option to become project operator.

h) Cote-Archie Lake Property

On September 13, 2004, the Company obtained acquired a 100% interest in the Cote-Archie Lake property by making cash payments totalling \$45,000 and issuing 150,000 common shares of the Company (issued and paid). The vendors retain a 2.0% NSR and Alto has the right to buyback 1.0% of the NSR for \$1,000,000.

On July 18, 2007 the Company entered into an Option Agreement with Kodiak Exploration Ltd. Under the terms of the agreement, Kodiak has the option to earn a 51% interest in the Cote-Archie Lake property by paying \$25,000 in cash or issuing \$25,000 worth of Kodiak shares to the company (cash payment received), on the Effective Date of the Agreement, that being September 1, 2007. Additional payment terms are as follows: \$25,000 in cash or Kodiak shares upon the first anniversary of the Effective Date, \$25,000 in cash or Kodiak shares upon the second anniversary of the Effective Date and \$25,000 in cash or Kodiak shares upon the third anniversary date of the Effective Date. In addition, Kodiak must spend \$200,000 on exploration prior to the first anniversary, a further \$300,000 prior to the second anniversary and a final \$500,000 (for a total of \$1,000,000) prior to the third anniversary of the Effective Date of the agreement.

Upon earning a 51% interest, Kodiak then has the option to earn an additional 19% interest (for a total of 70%) by funding the completion of a positive feasibility study. Once Kodiak has earned a 70% interest in the project, the Company will have the option to participate in a 70%-30% Joint Venture or convert its interest to a 2.5% NSR royalty.

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For the three month period ended September 30, 2007

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5. Investment – Mineral Properties - Continued

i) Empress-Ridout Property

On June 15, 2005, the Company entered into an agreement with Cameco Corporation (“Cameco”) to acquire a 100% interest in the Empress-Ridout Property located in the province of Ontario by making a cash payment of \$20,000 (paid). The agreement is subject to a 2% NSR payable to original owners of the property. The Company has the option to buyout the 1% NSR for \$1 million.

j) Burchell Property

On May 3, 2006, the Company entered into an agreement with Canadian Golden Dragon Resources Ltd. (“CGD”) to acquire a 100% interest in the Burchell Property located in the province of Ontario by making a cash payment of \$5,000 and issuing 25,000 common shares of the Company valued at \$4,375 (issued and paid) on signing of the agreement, a cash payment of \$10,000 (paid) and issuing 50,000 shares (issued) upon the first anniversary date of the agreement and a cash payment of \$25,000 and issuing 125,000 shares upon the second anniversary date of the agreement and a cash payment of \$50,000 and issuing 200,000 shares upon the third anniversary date of the agreement. The vendors retain a 2.0% NSR. The Company is required to incur exploration expenditures to maintain the property in good standing.

k) Cote-801 Property

On July 5, 2007 the Company entered into an agreement to acquire the Cote-801 Property. Under the terms of the agreement, the Company has the option to acquire 100% interest by making cash payments of \$10,000 and issuing 30,000 shares of the Company upon signing the agreement (cash paid and shares issued), a cash payment of \$10,000 and issuing 30,000 shares of the Company upon the first anniversary date of the agreement and final cash payment of \$10,000 and issuing 30,000 shares of the Company upon the second anniversary date of the agreement. The Vendors will retain a 2% NSR royalty and the Company has the option to buyout 1% for \$1,000,000.

6. Share Capital

a) Common shares

Authorized: Unlimited common shares without par value

Alto Ventures Ltd.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

6. Share Capital - Continued

a) Common shares (continued)

	Number of Shares	Amount	Contributed Surplus
Issued:			
Balance – June 30, 2005	42,803,648	\$ 10,241,130	\$ 261,240
Units issued in exchange for cash	11,090,000	1,109,000	-
Fair value of warrants granted	-	(311,782)	311,782
Fair value of options granted	-	-	33,768
Fair value of options exercised	-	10,165	(10,165)
Fair value of agent warrants granted	-	-	13,476
Stock options exercised	95,000	14,250	-
Share issuance costs	-	(44,206)	-
Issued in exchange for mineral properties	1,082,895	143,125	-
Balance – June 30, 2006	55,071,543	\$ 11,161,682	\$ 610,101
Units issued in exchange for cash	10,575,000	1,057,500	-
Share issuance costs	-	(52,500)	-
Fair value of options granted	-	-	65,053
Fair value of warrants granted	-	(178,842)	178,842
Finder fees	262,500	26,250	-
Issued in exchange for mineral properties	150,000	16,000	-
Balance – June 30, 2007	66,059,043	\$ 12,030,090	\$ 853,996
Issued in exchange for mineral properties	30,000	3,000	-
Adjustment stock compensation – mineral properties	-	-	(16,151)
Fair value of options granted	-	-	4,002
Balance – September 30, 2007	66,089,043	\$ 12,033,090	\$ 841,847

Alto Ventures Ltd.

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Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

6. Share Capital - Continued

a) Common shares (continued)

During the fiscal year ended June 30, 2007, the Company completed a private placement raising \$1,057,500 through the issuance of 10,575,000 units in two tranches. Finder's fees of 262,500 units and \$26,250 were issued and paid. Each unit was sold at \$0.10 and consists of one common share and one warrant. Each warrant will entitle the holder to purchase an additional common share at a price of \$0.20 during the first year. The warrants attached have been valued at \$178,842 based upon average of the residual method and the Black Scholes method (using the assumptions as follows):

Assumption	
Expected dividend yield	0.00%
Expected stock price volatility	91.0%
Risk-free interest rate	3.80%
Expected life of warrants	1 year

The terms and conditions of the warrants also contain an accelerated exercise provision that, if the Company's shares trade on a weighted average of \$0.30 for 20 consecutive trading days, warrant holders will be given notice that they have 30 days to exercise or their warrants will expire.

During the fiscal year ended June 30, 2006, the Company completed a private placement raising \$1,109,000 through the issuance of 11,090,000 units. Each unit was sold at \$0.10 and consists of one common share and one warrant. Each warrant will entitle the holder to purchase an additional common share at a price of \$0.15 during the first year and \$0.20 in the second year. The warrants attached were valued at \$311,782 based upon average of the residual method and the black scholes method.

b) Warrants

Warrants have been granted and are exercisable in whole or in part allowing the holders to purchase common shares of the Company as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – June 30, 2005	19,118,889	\$ 0.26
Granted	11,090,000	0.15
Agents warrants	306,700	0.15
Expired	(8,000,000)	0.20
Balance – June 30, 2006	22,515,589	\$ 0.22
Granted	10,575,000	0.20
Agents warrants	262,500	0.20
Expired	(11,118,889)	0.30
Balance – June 30, 2007 and September 30, 2007	22,234,200	0.20

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For the three month period ended September 30, 2007

Canadian Funds

Unaudited

6. Share Capital – Continued

b) Warrants

Of the warrants outstanding at September 30, 2007:

- 7,668,200 warrants are exercisable at \$0.20 per share up to January 24, 2008
- 3,728,500 warrants are exercisable at \$0.20 per share up to February 9, 2008
- 3,337,500 warrants are exercisable at \$0.20 per share up to December 27, 2007
- 7,500,000 warrants are exercisable at \$0.20 per share up to January 19, 2008

c) Share Purchase Options

The Company has established a share purchase option plan whereby the Board of Directors, may from time to time, grant options to directors, officers, employees or consultants to a maximum of 10% of the issued and outstanding share capital amount. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

The following is a summary of the Company's options as at September 30, 2007 and June 30, 2007 and the changes for the period are as follows:

Exercise Price	Outstanding June 30, 2007	Granted	Cancelled/ Expired	Outstanding September 30, 2007	Expiry Date
\$0.10	131,000	-	(131,000)	-	August 30, 2007
\$0.15	1,170,000	-	-	1,170,000	September 30, 2009
\$0.15	715,000	-	(125,000)	590,000	June 20, 2010
\$0.16	240,000	-	-	240,000	March 21, 2011
\$0.12	550,000	-	-	550,000	December 19, 2011
\$0.10	150,000	-	-	150,000	May 16, 2012
	2,956,000	-	(256,000)	2,700,000	

7. Related Party Transactions

- a) At September 30, 2007, the Company owed \$3,335 (June 30, 2007: \$3,335) to companies with Directors and officers in common. There are no repayment terms or interest associated with this balance.

Alto Ventures Ltd.

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Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

7. Related Party Transactions - Continued

The following are related party transactions for the periods ended September 30, 2007 and September 30, 2006:

	September 30, 2007	September 30, 2006
	\$	\$
HRG Management Ltd. – administrative services, fixed assets (Company with Director in Common, see note 10)	36,271	39,423
Mike Koziol – salary services (officer)	36,000	36,000
Mirador Management – management fees (Company with a Director in Common)	-	21,000
Hamilton Capital Partners Limited- management fees (Company with a Director in Common)	7,500	7,500
Lang Michener – legal services (Legal Company with a Company Director)	955	1,196
Total	80,726	105,119

8. Segment Information

The Company currently conducts substantially all of its operations in Canada in one business segment.

9. Supplementary Cash Flow Information

Non cash transactions during the three month period ended September 30, 2007 were as follows:

Non-Cash Financing and Investing Activities include:	Three month pe	Three month period ended September 30, 2006
Shares issued for property costs	\$ 3,000	\$ 10,000
Accounts payable included in mineral properties	\$ -	\$ 29,000
Stock based compensation	\$ 4,002	\$ -

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Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

10. Commitments

The Company entered into a services agreement, effective February 1, 2006 (renewed February 1, 2007), with HRG Management Ltd. ("HRG") in which the Company will pay a monthly corporate administration fee of approximately \$12,262 (2006 - \$13,141) which includes office administration, accounting, corporate secretarial, chief financial officer, investor relations and other related services at cost. HRG is a management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost recovery basis. The Company shares one director and an officer in common with HRG. The agreement expires December 31, 2008 and can be terminated by either party prior to expiration with 90 days written notice.

12. Corporate Tax Losses Carry Forwards

The Company has non-capital loss carry forwards available to reduce future taxable income as follows:

Year of Expiry	Amount
2007	121,000
2008	136,000
2009	96,000
2010	190,000
2014	56,000
2015	593,000
2026	548,000
2027	<u>636,000</u>
	<u>\$2,376,000</u>

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Notes to the Interim Financial Statements

For the three month period ended September 30, 2007

Canadian Funds

Unaudited

13. Subsequent events

- a) On October 16, 2007, the Company announced up to \$2,650,000 non-brokered private placement financing from the initial target of \$2,200,000 (announced October 9, 2007). The financing will be completed through the issuance of up to 11,363,263 units at a price of \$0.11 per unit and 10,769,230 flow-through shares at \$0.13. Each non-flow through unit will consist of one common share and one purchase warrant which entitles the holder to purchase an additional common share at a price of \$0.20 exercisable within one year of closing.

On October 26, 2007, the Company closed the first tranche of its non-brokered private placement previously announced on October 16, 2007. The Company has raised \$999,400 through the issuance of 6,926,152 flow through common shares at a price of \$0.13 per share and 900,000 units at a price of \$0.11 per unit. The units consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase an additional common share at a price of \$0.20 for a period of one year expiring October 24, 2008. Finder's fees were paid on this portion of the financing in the amount of \$64,961 in cash, 484,830 in broker's warrants at \$0.13 per warrant share on the flow through portion and 63,000 in broker's warrants at \$0.11 per warrant share on the unit portion. All broker warrants are exercisable for a period of one year expiring October 24, 2008 at exercises prices of \$0.13 and \$0.11, respectively.

On November 7, 2007, the Company closed the second and final tranches of its non-brokered private placement previously announced on October 16, 2007. The Company has raised \$1,659,460 through the issuance of 3,738,846 flow through common shares at a price of \$0.13 per share and 10,667,364 units at a price of \$0.11 per unit. The units consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to purchase an additional common share at a price of \$0.20 for a period of one year from closing. Finders' fees were paid on a portion of the financing in the amount of \$16,022 in cash, the issuance of 96,950 broker warrants at a price of \$0.13 per warrant share and 42,000 broker warrants at a price of \$0.11 per warrant share. All broker warrants are exercisable for a period of one year expiring October 31, 2008 at exercise prices of \$0.13 and \$0.11, respectively. All securities issued pursuant to the private placement are subject to a four month hold period expiring March 1st and March 6th, 2008.

The total gross proceeds raised via this placement are \$2,658,859.

- b) Subsequent to September 30, 2007, the Company received \$606,660 from the exercise of 3,087,050 warrants and \$48,250 from the exercise of 345,000 stock options.

13. Comparative Figures

Certain comparative amounts have been reclassified to conform to the current period's presentation.
