

**ALTO VENTURES LTD.**  
**(A Development Stage Company)**

Interim Financial Statements  
For the Nine Months Ended  
March 31, 2007 and 2006  
(Expressed in Canadian Funds)

(Unaudited and Prepared by Management)

**Auditor Review** - These interim financial statements and related schedules were prepared by management. They have not been reviewed by the Company's external independent auditor.

**Balance Sheets**

As at March 31, 2007 and June 30, 2006  
Canadian Funds

ASSETS	March 31, 2007	June 30, 2006
<b>Current</b>		
Cash and cash equivalents	\$ 365,029	\$ 587,712
Marketable securities (Note 3)	-	9,000
Receivables (Note 7)	60,108	110,085
Quebec Exploration Tax Credit receivable	191,700	191,700
Prepaid expenses and deposits	43,651	24,845
	<u>660,489</u>	<u>923,342</u>
<b>Mineral Properties (Note 5)</b>	<b>4,594,232</b>	<b>3,789,154</b>
<b>Property and Equipment (Note 4)</b>	<b>10,166</b>	<b>12,227</b>
	<u>\$ 5,264,887</u>	<u>\$ 4,724,723</u>

**LIABILITIES**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 34,944	\$ 136,557
Advances from related parties (Note 7)	7,098	15,817
	<u>42,042</u>	<u>152,374</u>

Going Concern and Nature of Operations (Note 1)  
Subsequent events (Notes 5 and 12)  
Commitments (Notes 11)

**SHAREHOLDERS' EQUITY**

Share Capital (Note 6a)	12,202,932	11,161,682
Warrants (Note 6a)	184,067	-
Contributed Surplus (Note 6a)	471,128	610,101
Deficit - Statement 2	(7,635,282)	(7,199,434)
	<u>5,222,845</u>	<u>4,572,349</u>
	<u>\$ 5,264,887</u>	<u>\$ 4,724,723</u>

ON BEHALF OF THE BOARD:

"David Cowan"  
David Cowan  
Director

"Mike Koziol"  
Mike Koziol  
Director

**Statements of Loss and Deficit**

As at March 31  
Canadian Funds

	Three months ended March 31, 2007	Three months ended March 31, 2006	Nine months ended March 31, 2007	Nine months ended March 31, 2006
<b>Expenses</b>				
Investor relations and shareholder information	\$ 33,417	\$ 34,572	\$ 120,467	\$ 87,586
Office and miscellaneous	25,168	12,243	77,979	46,905
Administrative services	16,990	19,794	52,846	56,660
Professional fees	18,773	24,354	44,801	44,265
Directors' fees	12,000	12,000	36,000	36,000
Management fees	9,500	24,000	30,500	72,000
Rent	8,526	12,243	26,298	23,428
Consulting	9,000	15,300	29,214	26,466
Transfer agent and regulatory fees	9,038	16,953	22,666	23,805
Travel and promotion	1,401	6,809	5,502	17,954
Stock-based compensation	13,500	33,768	13,500	33,768
Salaries	1,532	-	1,532	-
Amortization	909	576	2,061	1,728
Interest and bank charges	2,135	150	3,115	1,058
	<b>161,889</b>	<b>208,841</b>	<b>466,483</b>	<b>471,675</b>
<b>Other Items</b>				
Interest income	(3,982)	(5,923)	(6,295)	(10,199)
Gain on sale of marketable securities	-	(26,825)	(24,340)	(38,873)
	<b>(3,982)</b>	<b>(32,748)</b>	<b>(30,635)</b>	<b>(49,072)</b>
<b>Net Loss for the Period</b>	<b>157,907</b>	<b>176,093</b>	<b>435,848</b>	<b>422,603</b>
Deficit - Beginning of Period	7,477,375	6,901,811	7,199,434	6,655,301
<b>Deficit – End of Period</b>	<b>\$ 7,635,282</b>	<b>\$ 7,077,904</b>	<b>\$ 7,635,282</b>	<b>\$ 7,077,904</b>
<b>Weighted Average Shares</b>				
<b>Outstanding</b>	<b>64,492,189</b>	<b>51,147,386</b>	<b>58,246,039</b>	<b>45,795,023</b>
<b>Loss per Share – Basic and</b>				
<b>Diluted</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.01</b>	<b>\$ 0.01</b>

**Statements of Cash Flows**

As at March 31  
Canadian Funds

	Three months ended March 31, 2007	Three months ended March 31, 2006	Nine months ended March 31, 2007	Nine months ended March 31, 2006
<b>Cash Resources Provided By (Used In)</b>				
<b>Operating Activities</b>				
Loss for the period	\$ (157,907)	\$ (176,093)	\$ (435,848)	\$ (422,603)
Items not affected by cash:				
Amortization	909	576	2,061	1,728
Gain on sale of marketable securities	-	(26,825)	(24,340)	(38,873)
Stock option compensation	13,500	33,768	13,500	33,768
	<b>(143,498)</b>	<b>(168,574)</b>	<b>(444,627)</b>	<b>(425,980)</b>
Changes in non-cash working capital items	<b>74,610</b>	<b>34,922</b>	<b>43,385</b>	<b>(22,466)</b>
Net cash used in operating activities	<b>(68,888)</b>	<b>(133,652)</b>	<b>(401,242)</b>	<b>(448,446)</b>
<b>Financing Activities</b>				
Advances from related parties	(149,565)	27,661	(8,719)	9,322
Common shares issued	725,500	1,109,000	1,057,500	1,109,000
Share issuance costs	(26,250)	(30,730)	(26,250)	(30,730)
Subscriptions received	246,750	-	-	-
Net cash used by financing activities	<b>796,435</b>	<b>1,095,931</b>	<b>1,022,531</b>	<b>1,077,592</b>
<b>Investing Activities</b>				
Deferred exploration costs	(439,022)	(314,434)	(682,972)	(599,849)
Acquisition of properties	(10,000)	-	(170,000)	(50,000)
Sale of marketable securities	-	59,074	9,000	86,122
Net cash used by investing activities	<b>(449,022)</b>	<b>(255,360)</b>	<b>(843,972)</b>	<b>(563,727)</b>
<b>Net decrease in Cash and Cash Equivalents</b>	<b>278,525</b>	<b>706,919</b>	<b>(222,683)</b>	<b>65,419</b>
Cash and cash equivalents - Beginning of Period	<b>86,504</b>	<b>346,786</b>	<b>587,712</b>	<b>988,286</b>
<b>Cash and Cash Equivalents - End of Period</b>	<b>\$ 365,029</b>	<b>\$ 1,053,705</b>	<b>\$ 365,029</b>	<b>\$ 1,053,705</b>

Supplementary Cash Flow Information (Note 9)

- See Accompanying Notes -

**Alto Ventures Ltd.**

*(A Development Stage Company)*

## **Notes to Financial Statements**

**As at March 31, 2007 and 2006**

*Canadian Funds*

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### **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. The Company has a working capital of \$618,446 (2006 - \$1,068,256) and accumulated deficit of \$7,621,449 (2006 - \$7,077,904). Its ability to continue as a going concern is dependant upon the continued support of related parties, 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. At times, such investments may be in excess of federal insurance limits.

#### **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 earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method.

**Alto Ventures Ltd.**

*(A Development Stage Company)*

**Notes to Financial Statements**

**As at March 31, 2007 and 2006**

*Canadian Funds*

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**2. Significant Accounting Policies - Continued**

**c) Fair Value of 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 and accounts payable. 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.

**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 March 31, 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.**

*(A Development Stage Company)*

## **Notes to Financial Statements**

**As at March 31, 2007 and 2006**

*Canadian Funds*

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### **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 Company's METC application is approved by Canada Revenue Agency ("CRA") auditors or 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.**

(A Development Stage Company)

**Notes to Financial Statements**

As at March 31, 2007 and 2006

Canadian Funds

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**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.

**m) Variable Interest Entities**

The Company adopted a policy in 2005 for determination of identifying variable interest entities ("VIE") and if there are any VIE's would consolidate them. At this time the Company does not have any VIE's.

**3. Marketable Securities**

Marketable securities consist of no shares on March 31, 2007 (2006 – 60,000) of Noront Resources Inc. ("Noront") at a no cost (2006 - \$9,000) and no market value on March 31, 2007 (2006: \$11,400). The Company's past share ownership in Noront was minimal and they had no control or significant influence over Noront.

**4. Property and Equipment**

	Cost	Accumulated Amortization	2007 Net Book Value	2006 Net Book Value
Computer equipment	\$ 22,539	\$ 12,373	\$ 10,166	\$ 9,002
Furniture and equipment	1,676	1,676	-	-
	<u>\$ 24,215</u>	<u>\$ 13,162</u>	<u>\$ 10,166</u>	<u>\$ 9,002</u>

**Alto Ventures Ltd.***(A Development Stage Company)***Notes to Financial Statements****As at March 31, 2007 and 2006***Canadian Funds***5. Mineral Properties**

The following table shows the activity from July 1, 2006 to March 31, 2007:

<b>Property</b>	<b>June 30, 2006</b>	<b>Acquisitions</b>	<b>Deferred Explorations</b>	<b>Tax Credit</b>	<b>March 31, 2007</b>
Alcudia Claims	\$ 108,774	\$ -	\$ 19,767	\$ -	\$ 128,541
Coldstream Property	614,059	-	130,236	-	744,295
Cote Archie Lake Property	204,381	15,000	254,268	-	473,649
Despinassy JV Property	985,554	150,000	94,197	-	1,179,947
Dog Lake Property	231,928	-	618	-	232,546
Greenoaks Gold Property	457,072	-	5,558	-	462,630
Mud Lake Property	146,846	5,000	30,490	-	182,336
Oxford Lake Property	922,529	-	5,693	-	928,222
Empress-Ridout Property	26,277	-	37,583	-	63,860
Other exploration	91,734	-	56,668	-	148,402
<b>Total Mineral Properties</b>	<b>\$ 3,789,154</b>	<b>\$ 170,000</b>	<b>\$ 635,078</b>	<b>\$ -</b>	<b>\$ 4,594,232</b>

The following table shows the activity from July 1, 2005 to June 30, 2006:

<b>Property</b>	<b>June 30, 2005</b>	<b>Acquisitions</b>	<b>Deferred Explorations</b>	<b>Tax Credit</b>	<b>June 30, 2006</b>
Alcudia Claims	\$ 109,607	\$ -	\$ (833)	\$ -	\$ 108,774
Coldstream Property	191,484	77,750	344,825	-	614,059
Cote Archie Lake Property	111,802	15,000	77,579	-	204,381
Despinassy JV Property	717,423	100,000	551,867	(383,736)	985,554
Dog Lake Property	221,055	-	10,873	-	231,928
Greenoaks Gold Property	456,090	-	982	-	457,072
Mud Lake Property	64,331	20,000	62,515	-	146,846
Oxford Lake Property	894,712	-	27,817	-	922,529
Empress-Ridout Property	20,000	-	6,277	-	26,277
Other exploration	12,892	16,095	62,747	-	91,734
<b>Total Mineral Properties</b>	<b>\$ 2,799,396</b>	<b>\$ 228,845</b>	<b>\$ 1,144,649</b>	<b>\$ (383,736)</b>	<b>\$ 3,789,154</b>

**Alto Ventures Ltd.***(A Development Stage Company)***Notes to Financial Statements****As at March 31, 2007 and 2006***Canadian Funds***5. Mineral Properties – Continued**

<b>Mineral Property Costs</b>	<b>March 31, 2007</b>	<b>March 31, 2006</b>
Diamond drilling	\$ 361,493	\$ 301,205
Acquisition and claim staking	179,097	165,510
Stock based compensation	31,594	-
Management and planning of projects	62,639	47,931
Mapping	41,420	16,706
Line cutting, trenching and blasting	19,038	32,850
Geological surveys	2,195	47,188
Prospecting	-	37,302
Data compilation and digitizing	24,479	25,785
Travel, camp and other expenses	5,095	19,565
Assessment reports and filing works	42,973	7,109
License, permits and taxes	34,729	1,763
Leases	-	2,208
Assays	325	29,727
<b>Mineral Property Costs for the Period</b>	<b>805,078</b>	<b>734,849</b>
<b>Mineral Property Costs – Beginning of Period</b>	<b>3,789,154</b>	<b>2,799,396</b>
<b>Mineral Property Costs – End of Period</b>	<b>\$ 4,594,232</b>	<b>\$ 3,534,245</b>

**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 (\$0.10 per share). 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 was granted an option to acquire 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 (\$0.10 per share) to Hidefield and is required to expend \$100,000 (expended) 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.**

*(A Development Stage Company)*

**Notes to Financial Statements**

**As at March 31, 2007 and 2006**

*Canadian Funds*

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**5. Investment - Mineral Properties - Continued**

**b) Coldstream Property - Continued**

On May 16, 2006, the Company acquired 100% interest in 416 hectares immediately west of 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 to Inco. 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 includes a cash payment of \$4,000 (paid) and the issuance of 50,000 common shares (issued) of the Company valued at \$10,000. Further, the vendors will retain a 2.0% NSR royalty which the Company retains 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 included 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**

The Company completed its acquisition of a 70% interest in the property from Cameco Corporation on August 21, 2006 by making a one time payment of \$150,000 (paid) after the purchase agreement was amended to adjust the original purchase price to \$350,000 from \$700,000.

Pursuant to an agreement dated September 30, 2004, the Company acquired an option to earn 70% interest in a joint venture with Commander Resources Ltd. (“Commander”) from Cameco Corporation (“Cameco”). See subsequent event note 11c for change in participation interest.

**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.**

*(A Development Stage Company)*

**Notes to Financial Statements**

**As at March 31, 2007 and 2006**

*Canadian Funds*

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**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**

On August 1, 2004, the Company obtained the option, from an unrelated party, to acquire a 100% interest in the Mud Lake property by making a cash payment of \$10,000 and issuing 50,000 common shares of the Company (issued and paid) on signing the agreement, a cash payment of \$15,000 (paid) and issuing 50,000 shares valued at \$5,000 upon the first anniversary date of the agreement (issued) and a cash payment of \$15,000 and issuing 50,000 shares upon the second anniversary date of the agreement (issued and paid). The vendors will retain a 2.5% NSR and the Company has the right to buyback 1.5% of the NSR for \$500,000.

**h) Cote-Archie Lake Property**

On September 13, 2004, the Company obtained the option from, an unrelated party, to acquire a 100% interest in the Cote-Archie Lake property by making a cash payment of \$20,000 and issuing 50,000 common shares of the Company valued at \$5,000 (issued and paid) on signing of the agreement, a cash payment of \$10,000 and issuing 50,000 shares upon the first anniversary date of the agreement valued at \$5,000 (issued and paid) and a cash payment of \$10,000 and issuing 50,000 shares (issued and paid) upon the second anniversary date of the agreement. The vendors will retain a 2.0% NSR and Alto has the right to buyback 1.0% of the NSR for \$1,000,000.

**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 with the Company being obligated to pay a 1% NSR to the owners of the property and Cameco retaining an obligation to pay the remaining 1%..

**g) 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 and issuing 50,000 shares 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 will retain a 2.0% NSR. The Company is required to incur exploration expenditures to maintain the property in good standing.

**Alto Ventures Ltd.**  
*(A Development Stage Company)*  
**Notes to Financial Statements**  
**As at March 31, 2007 and 2006**  
*Canadian Funds*

**6. Share Capital**

a) **Common shares**

Authorized: Unlimited common shares without par value

	Number of Shares	Amount	Contributed Surplus
<b>Issued:</b>			
Balance – June 30, 2005	42,803,648	\$ 10,241,130	\$ 261,240
Units issued in exchange for cash (*)	11,090,000	797,218	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 warrants granted	-	-	(184,067)
Fair value of options granted	-	-	45,094
Finder fees	262,500	26,250	-
Issued in exchange for mineral properties	100,000	10,000	-
<b>Balance – March 31, 2007</b>	<b>66,009,043</b>	<b>\$ 12,202,932</b>	<b>\$ 471,128</b>

\* The Company completed a private placement raising \$1,057,500 through the issuance of 10,575,000 units in two tranches. Finders 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):

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

**Alto Ventures Ltd.**  
*(A Development Stage Company)*  
**Notes to Financial Statements**  
**As at March 31, 2007 and 2006**  
*Canadian Funds*

**6. Share Capital - Continued**

a) **Common shares (continued)**

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.

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
<b>Balance – March 31, 2007</b>	<b>22,234,200</b>		<b>0.20</b>

Of the warrants outstanding at March 31, 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 24, 2008

**Alto Ventures Ltd.***(A Development Stage Company)***Notes to Financial Statements****As at March 31, 2007 and 2006***Canadian Funds***6. Share Capital – Continued****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 at June 30, 2006 and March 31, 2007 and the changes for the period are as follows:

Exercise Price	Outstanding June 30, 2006	Granted	Exercised	Outstanding March 31, 2007	Expiry Date
\$0.10	131,000	-	-	131,000	August 30, 2007
\$0.15	1,200,000	-	-	1,200,000	September 30, 2009
\$0.15	790,000	-	-	790,000	June 20, 2010
\$0.16	240,000	-	-	240,000	March 21, 2011
\$0.12	-	550,000	-	550,000	December 19, 2011
	2,361,000	550,000	-	2,911,000	

**7. Related Party Transactions**

- a) At March 31, 2007, the Company owed \$7,098 (2006: \$37,322) to companies with Directors in common and officers .

The following are related party transactions for the three months ended March 31, 2007 and 2006:

	March 31, 2007	March 31, 2006
	\$	\$
Hamilton Capital Partners Limited (Company with a Director in Common)	7,500	7,500
HRG Management Ltd. – administrative services, fixed assets (Company with Director in Common, see note 10)	37,785	28,813
Mirador Management (Company with a Director in Common)	19,000	24,000
Lang Michener – legal services (Legal Company with a Company Director)	1,048	4,699
<b>Total</b>	<b>65,333</b>	<b>65,012</b>

**Alto Ventures Ltd.**

*(A Development Stage Company)*

**Notes to Financial Statements**

**As at March 31, 2007 and 2006**

*Canadian Funds*

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**8. Segment Information**

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

**9. Supplementary Cash Flow Information**

<b>Non-Cash Financing and Investing Activities include:</b>	<b>2007</b>	<b>2006</b>
Shares issued for property costs	\$ 10,000	\$ 85,000
Stock option compensation (mineral properties and stock based compensation)	\$ 45,094	\$ 33,768
Accounts payable included in resource properties	\$ 79,488	\$ -

**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 captive management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost only basis. The Company shares two common directors with HRG.

**11. Subsequent events**

- a) Subsequent to March 31, 2007, the Company engaged investor relations services at a rate of \$4,500 per month.
- b) Subsequent to March 31, 2007, the Company granted 150,000 stock options exercisable on or before May 16, 2012 at a price of \$0.10 per share.
- c) 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.
- d) Subsequent to March 31, 2007, the Company received payment of \$191,700 for the Quebec Exploration Tax Credit.



**MANAGEMENT DISCUSSION AND  
ANALYSIS**

**FOR THE NINE MONTHS ENDED MARCH 31, 2007**



## INTRODUCTION

The following discussion of performance and financial condition should be read in conjunction with the interim financial statements of the Company for the nine months ended March 31, 2007. The Company's financial statements are prepared in accordance with Canadian GAAP. The Company's reporting currency is Canadian dollars unless otherwise stated. The date of this Management's Discussion and Analysis is May 29, 2007.

## DESCRIPTION OF BUSINESS

Alto Ventures Ltd. (the "Company") was incorporated under the provisions of the British Columbia Business Corporations Act (formerly the BC Company Act) on June 6, 1987. The Company is listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer under the trading symbol - **ATV**.

The Company is in the business of acquiring and exploring gold projects. There has been no determination whether these properties contain reserves which are economically recoverable.

The recoverability of values assigned to these gold properties is dependent upon the discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development, and future profitable production or proceeds from disposition.

## RESULTS OF OPERATIONS

### Quarter-to-date

The Company incurred a \$157,907 loss for the three months ended March 31, 2007 as compared to a loss of \$176,093 for the same period last year. This amounts to a \$18,186 decrease over same period last year. Expenses that decreased were management fees (\$14,500) and stock-based compensation (\$20,268). Increases were due to office expenses (\$12,925).

Cash and cash equivalents balance increased by \$278,525 to \$365,029 at March 31, 2007. The cash spending for mineral properties was \$359,534. Cash expenditures on exploration included \$254,268 on Cote Archie Lake, Coldstream (\$17,892), \$10,829 on Mud Lake, and \$76,545 on other projects.

### Year-to-date

The Company incurred a \$435,848 loss for the nine months ended March 31, 2007 as compared to a loss of \$422,603 for the same period last year. This amounts to a \$13,245 increase over same period last year. Expenses that decreased were management fees (\$41,500), stock-based compensation (\$20,268) and travel (12,452). Increases were due to expanded investor relations and corporate communications (\$33,000) and office expenses (\$31,074).

**RESULTS OF OPERATIONS****Year-to-date (continued)**

Cash and cash equivalents balance decreased by \$222,683 to \$365,029 at March 31, 2007. The cash spending for mineral properties was \$753,484. Cash expenditures on exploration included Cote-Archie Lake (\$254,000), Coldstream (\$112,344), \$244,197 on the Despinassy JV, \$30,490 on Mud Lake, \$37,287 on Empress Ridout and \$75,166 on other/new projects.

**SUMMARY OF QUARTERLY RESULTS**

The table below present's selected financial data for the Company's eight most recently completed quarters:

In thousands(000's)	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005
<b>Financial results</b>								
Net loss for period	158	143	135	121	176	122	125	302
Basic and diluted loss per share	-	-	0.01	-	-	-	0.01	0.01
Expenditures on resource properties	350	92	312	579	240	176	234	215
<b>Balance sheet data</b>								
Cash and short term deposits	365	87	83	588	1,054	347	547	988
Resource properties	4,594	4,278	4,133	3,789	3,534	3,215	3,038	2,799
Total assets	5,265	4,910	4,527	4,725	4,788	3,722	3,816	3,965
Shareholders' equity #	5,223	4,713	4,447	4,572	4,612	3,681	3,727	3,847

**SUBSEQUENT EVENT**

Subsequent to March 31, 2007, the Company engaged investor relations services at a rate of \$4,500 per month.

Subsequent to March 31, 2007, the Company granted 150,000 stock options exercisable on or before May 16, 2012 at a price of \$0.10 per share.

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.

Subsequent to March 31, 2007, the Company received payment of \$191,700 for the Quebec Exploration Tax Credit

**LIQUIDITY**

The Company's exploration programs for the current financial year have been budgeted and can be completed with current finances.

The financial statements from Schedule A have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	March 31, 2007	June 30, 2006	June 30, 2005
Working capital(deficit)	\$ 618,447	\$ 770,968	\$ 1,036,943
Deficit	\$ (7,635,282)	\$ (7,199,434)	\$ (6,655,301)

**TRANSACTIONS WITH RELATED PARTIES**

- a) At December 31, 2006, the Company owed \$156,663 (2005:\$9,661) to companies with common Directors.
- a) Mirador Management is compensation for an Officer's services to the Company. The following are related party transactions for the three months ended March 31, 2007 and 2006:

	March 31, 2007	March 31, 2006
Mirador Management (Company with a Director in Common)	19,000	24,000
HRG Management Ltd. – administrative services and fixed assets (Company with Directors in Common, see note 10)	37,785	28,813
Hamilton Capital Partners Limited (Company with a Director in Common)	7,500	7,500
Lang Michener – legal services (Legal Company with a Company Director)	1,048	4,699
<b>Total</b>	<b>\$ 65,333</b>	<b>\$ 65,019</b>

**COMMITMENTS**

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 captive management company jointly owned by the Company and certain other public companies, all of which share office space and staff on a cost only basis. The Company shares two common directors with HRG.

**SHARE CAPITAL INFORMATION**

The table below presents the Company’s common share data as of May 29, 2007.

	Price	Expiry date	Number of common shares
Common shares, issued and outstanding			66,009,043
Securities convertible into common shares			
Warrants	\$0.20	January 24, 2008	7,668,200
	\$0.20	February 9, 2008	3,728,500
	\$0.20	December 27, 2007	3,337,500
	\$0.20	January 19, 2008	7,500,000
Options	\$0.10	August 30, 2007	131,000
	\$0.15	December 2, 2009	1,200,000
	\$0.15	May 12, 2010	790,000
	\$0.16	March 21, 2011	240,000
	\$0.12	December 19, 2011	550,000
	\$0.10	May 16, 2012	150,000
			91,304,243

Common Shares

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

Stock Options

On December 19, 2006, 550,000 stock options were granted at \$0.12 exercisable on or before December 19, 2011.

On May 16, 2007, granted 150,000 stock options exercisable on or before May 16, 2012 at a price of \$0.10 per share.

The weighted average remaining contractual life of the outstanding options is 3.0 years.

**INVESTMENT IN MINERAL PROPERTIES**

The following table shows the activity from July 1, 2006 to March 31, 2007:

<b>Property</b>	June 30, 2006	Acquisitions	Deferred Explorations	Tax Credit	<b>March 31, 2007</b>
Alcudia Claims	\$ 108,744	-	\$ 19,767	\$ -	\$ 128,541
Coldstream Property	614,059	-	130,236	-	744,295
Cote Archie Lake	204,381	\$ 15,000	254,268	-	473,649
Despinassy JV Property	984,554	150,000	94,197	-	1,179,947
Dog Lake Property	231,928	-	618	-	232,546
Greenoaks Gold Property	457,072	-	5,558	-	462,630
Mud Lake Property	146,846	5,000	30,490	-	182,336
Oxford Lake	922,529	-	5,693	-	928,222
Empress-Ridout Property	26,277	-	37,583	-	63,860
Generative exploration	91,734	-	56,668	-	148,402
<b>Total Mineral Properties</b>	<b>\$ 3,789,154</b>	<b>\$ 170,000</b>	<b>\$ 635,078</b>	<b>\$ -</b>	<b>\$ 4,594,232</b>

The following table shows the activity from July 1, 2005 to June 30, 2006:

<b>Property</b>	June 30, 2005	Acquisitions	Deferred Explorations	Tax Credit	June 30, 2006
Alcudia Claims	\$ 109,607	\$ -	\$ (833)	\$ -	\$ 108,774
Coldstream Property	191,484	77,750	344,825	-	614,059
Cote Archie Lake Property	111,802	15,000	77,579	-	204,381
Despinassy JV Property	717,423	100,000	551,867	(383,736)	985,554
Dog Lake Property	221,055	-	10,873	-	231,928
Greenoaks Gold Property	456,090	-	982	-	457,072
Mud Lake Property	64,331	20,000	62,515	-	146,846
Oxford Lake Property	894,712	-	27,817	-	922,529
Empress-Ridout Property	20,000	-	6,277	-	26,277
Generative exploration	12,892	16,095	62,747	-	91,734
<b>Total Mineral Properties</b>	<b>\$ 2,799,396</b>	<b>\$ 228,845</b>	<b>\$ 1,144,649</b>	<b>\$ (56,250)</b>	<b>\$ 3,789,154</b>

**INVESTMENT IN MINERAL PROPERTIES (continued)**

<b>Deferred Mineral Costs</b>	<b>March 31, 2007</b>	<b>March 31, 2006</b>
Diamond drilling	\$ 361,493	\$ 301,205
Acquisition and claim staking	179,097	165,510
Management and planning of projects	62,639	47,931
Mapping	41,420	16,706
Line cutting, trenching and blasting	19,038	32,850
Geological surveys	2,195	47,188
Prospecting	-	37,302
Data compilation and digitizing	24,479	25,785
Travel, camp and other expenses	5,095	19,565
Assessment reports and filing works	42,973	7,109
License, permits and taxes	34,729	1,763
Stock-based compensation	31,594	-
Assays	325	29,727
Leases	-	2,208
<b>Deferred Exploration Costs for the Year</b>	<b>805,078</b>	<b>734,849</b>
<b>Deferred Exploration Costs – Beginning of Year</b>	<b>3,789,154</b>	<b>2,799,396</b>
<b>Deferred Exploration Costs – End of Period</b>	<b>\$ 4,594,232</b>	<b>\$ 3,534,245</b>

Mike Koziol, P.Geo, Alto's Vice President of Exploration is the qualified person responsible for the technical information reported in this Management's Discussion and Analysis.

a) Despinassy Property, Quebec

The Despinassy project is located in Despinassy Township, approximately 75 km northeast of Val d'Or, Quebec and lies within the Archean age Abitibi greenstone belt in the eastern Superior Province in Quebec. The property consists of 4,454 hectares held by the Despinassy Joint Venture. The Company completed its purchase of a 70 % interest in the property from Cameco Corporation during by making a one time payment of \$150,000. Commander Resources Ltd. is a 30% joint venture partner (see subsequent event). Prior to the Company's acquisition of the property in 2004, a total of 23,005 metres (m) was drilled by previous operators, resulting in the discovery of the DAC deposit with gold mineralization encountered to a depth of 600 m. Drilling along the Despinassy Shear Zone encountered gold for more than six km strike extent.

**INVESTMENT IN MINERAL PROPERTIES (continued)**Despinassy Property, Quebec (continued)

In 2005 and 2006 the Company completed over 10,400 m of diamond drilling to provide sufficient data to prepare a Mineral Resource Estimate consistent with guideline set out in National Instrument 43-101. The Resource Estimate was prepared by Hubacheck Consulting Geologists (HCG) of Mississauga, Ontario in January 2007. At the 3.0 g/t gold cut-off grade, HCG estimates that the Indicated Mineral Resources of the DAC Deposit total 167,000 at an average grade of 6.88 g/t. In addition, at the 2.0 g/t gold cut-off grade, HCG estimates that the Inferred Mineral Resources total 445,000 tonnes at an average grade of 4.46 g/t gold. Deep drilling by an earlier operator intersected significant gold mineralization at 600 m depth that is not included in the current resource estimates. Some of the intercepts from this deep drill hole include 26.6 g/t gold over 1.1 m, 8.4 g/t over 1.0 m and 9.4 g/t over 1.4m.

Estimates of costs to carry out an underground exploration program were received from a qualified mining contractor and the Company is studying the possibility of taking the project to an underground exploration stage.

Drilling one kilometre to the east of the DAC Deposit along the same shear/alteration corridor resulted in the discovery of the Darla Zone where 19.5 g/t gold over 2.1 m was intersected. The discovery of the Darla Zone demonstrates potential for additional near-surface gold resources and further demonstrates the exploration potential of the 6 km long Despinassy Shear.

In addition to the Joint Venture lands, the Company owns 100% interest in 6,457 hectares adjoining the Despinassy Project

**b) Coldstream Property, Ontario**

The Company owns a 100% interest in 3,808 hectares located in the Shebandowan greenstone belt approximately 100 km west of Thunder Bay, Ontario. The property includes the former producing North Coldstream copper-silver-gold mine and the East Coldstream gold deposit. During the past year, the Company made strategic land acquisitions through staking and purchases to cover over 10 km of a prospective mineralized structure. In 2006 a program consisting of 2,062 m of diamond drilling was completed testing the East Coldstream gold deposit. Drilling has confirmed the presence of wide zones of gold mineralization with some intersections up to 68 m in core length and grading 1.2 g/t gold. The mineralized gold system has now been traced for two km at East Coldstream and remains open along strike and to depth.

The East Coldstream gold deposit occurs at the northeast end of a linear corridor that extends west-southwest for over 20 km and includes the North Coldstream copper-gold-silver mine (historical production of 102 million pounds of copper, 440,000 ounces of silver and 22,000 ounces of gold from 2.7 million tons of ore), the Company's Burchell claims with multiple gold zones of up to 0.95 g/t gold over 34 m, the Moss Lake gold deposit owned by Moss Lake Mines Ltd with a NI43-101 resource estimate of 50.9 million tonnes grading 0.92 g/t gold (1.5 million contained ounces of gold) and several other significant mineral occurrences to the southwest.

**INVESTMENT IN MINERAL PROPERTIES (continued)****b) Coldstream Property, Ontario (continued)**

The styles of alteration and mineralization at East Coldstream display many characteristics of Iron-Oxide-Copper-Gold (IOCG) deposits found in other parts of the world. Recognition of this style of mineralization is significant since IOCG deposits are typically large, ranging in size from tens of millions of tonnes to several hundred million tonnes with substantial quantities of gold. The presence of the 50 million tonnes Moss Lake deposit immediately adjacent to the Coldstream Property and the wide zones of gold mineralization at East Coldstream and the Burchell claims that are associated with geology and alteration consistent with IOCG style of mineralization confirm the potential of the Coldstream project area to host such huge deposits.

**c) Oxford Lake Property, Manitoba**

The Company owns a 100% interest in 2,870 hectares of mineral claims and a 5,516 hectare mineral exploration permit, located 160 km southeast of Thompson, Manitoba. Noranda outlined historical resources estimated at 800,000 tonnes grading 6 grams gold per tonne, totalling 154,000 ounces of gold at the Rusty Zone (see SEDAR Filing dated December 23, 2004 for NI43-101 disclosure on this project). Further gold mineralization up to 10 g/t gold over 2 metres was encountered by Noranda, 2 km east of the Rusty Zone in the same oxide iron formation. In total, 6 km of strike length of prospective auriferous iron formation has been identified on the property that has been only sparsely drilled. A consolidation of the land position in the past years has positioned the property for joint venture.

**d) Mud Lake Property, Ontario**

The Mud Lake property, located 25 km northeast of Beardmore, Ontario, consists of 2,592 hectares located in the Beardmore-Geraldton gold camp. The Company owns 100% interest in the project.

The 2005 summer exploration program identified 10 main gold showings ranging from 4.1 to 50.6 g/t in grab samples. Gold occurs principally within quartz-carbonate veins and areas of silicification along a major auriferous shear structure that extends for 6 kilometres along strike within the Coyle Lake Intrusive. The property has only seen limited drilling since the 1930's. Several of the veined shears that are cut by stringers of pyrite and chalcopyrite carry the best gold values. A 16.9 line kilometre Induced Polarization survey has outlined 20 anomalies along strike of existing surface showings and in overburden covered areas.

In February, 2007, the Company drilled 12 shallow holes totalling 753 m to test three (Clarke, Oliver-Severn and Trench 6) of the showings along the 6 km shear structure. A summary of the significant results are provided below.

**INVESTMENT IN MINERAL PROPERTIES (continued)**d) Mud Lake Property, Ontario (continued)

Table of Significant Assay Results from the 2007 Mud Lake Project Drilling Program

Hole	From (m)	To (m)	Width (m)	Au (g/t)	Zone
MUD07- 01	15.1	16.1	1.0	0.99	Trench 6
MUD07- 03	15.3	16.0	0.7	3.2	Trench 6
MUD07- 06	12.3	18.4	6.1	3.39	Oliver-Severn Zone 1
Includes	14.9	15.4	0.5	9.64	
	17.4	18.4	1.0	13.97	
	28.6	29.6	1.0	5.56	Oliver-Severn Zone 2
MUD07-11	26.5	28.5	2.0	2.11	Clarke Zone 1
	51.5	53.2	1.7	2.35	Clarke Zone 2
MUD07-12	80.0	88.8	8.0	0.94	Clarke
Includes	82.8	84.8	2.0	2.16	

The results have surpassed objectives; well developed shear zones containing quartz veins that carry significant gold, including high grades, were intersected at each of the three areas drilled. The intersection of gold at each of these areas confirms that gold is abundant in the region and highlights the need for more work on this under-explored property.

e) Cote-Archie Lake Property, Ontario

The Cote Archie Lake property is located 5 km north of Beardmore, Ontario in the Beardmore-Geraldton Gold Camp. The property consists of 2,672 ha and is owned 100% by Alto. The existence of an extensive shear system (Cote-Archie Shear) containing gold-bearing quartz veins was confirmed by prospecting and trenching and it was traced along strike for over two kilometres on the property. Individual shears are up to 12 metres wide and carry highly anomalous gold values, with higher grades up to 11.2 g/t over 1.0m continuous chip sample.

The Cote-Archie Shear is a major auriferous shear system that is interpreted to lie on strike with the shear system associated with the Leitch Mine which produced 860,000 ounces gold at an average grade of 0.92 opt (31.5 grams per tonne) prior to its closure in 1968. Despite previous work in the area, the Cote-Archie Shear is a highly prospective auriferous vein structure that has not been recognized before and consequently has only been sparsely drilled at its northeast end.

In February 2007, the Company attempted to drill two holes but only one was completed and the other was terminated before reaching its target. COT07-01 was drilled to test the Cote Shear and it intersected the target, a well developed and altered shear zone that is twenty metres wide and contains variable quartz veining including a 2.4 m wide quartz vein/vein breccia that contains minor amounts of sulphides. Although the assay results obtained from this first hole are not economic, the intersection of strongly sheared rocks that contain auriferous quartz veins is very encouraging for a first-pass drill program (please see table below).

**INVESTMENT IN MINERAL PROPERTIES (continued)**e) Cote-Archie Lake Property, Ontario (continued)

Hole COT07-02 attempted to test the same structure as COT07-01 but 50 m west along strike. The hole was terminated at 44 metres and well short of its target due to logistical problems related to water shortages caused by the very cold snap during the drilling of this hole. A weakly developed shear with 1 to 3% sulphides was intersected halfway down the hole and it too contains anomalous gold.

Table of Significant Results from Cote-Archie Lake 2007 Winter Drilling

Hole	From (m)	To (m)	Width (m)	Au (g/t)	Zone
COT07-01	70.6	76.6	6.0	0.35	Cote Shear
Includes	74.6	75.6	1.0	1.13	Quartz vein
	80.6	89.0	8.4	0.5	Cote Shear
	80.6	83.0	2.4	1.35	Quartz vein
COT07-02	19.1	22.0	2.9	0.52	Weak shearing in front of Cote Shear

f) Greenoaks Property, Ontario

The 100% owned Greenoaks property, consisting of 409 hectares is located 43 kilometres northeast of Beardmore, Ontario. Five holes, totaling 331 metres (m) were completed at Greenoaks in 2007. Two of the five holes intersected visible gold with assays including 12.5 g/t gold across 0.4 m and 7.08 g/t gold across 0.8m. Historical surface work resulted in the discovery of four zones along a 400 m segment of a west-northwest trending shear where gold-bearing quartz veins have been emplaced. Previous drilling, dating back to the 1960s, focused only on Zone 1 and intersected high grade gold mineralization including 1.2 ounces per ton (41 g/t) gold across 5 feet (1.5 m). Zones 3 and 4 were not drilled prior to the 2007 program.

The 2007 drilling has confirmed the mineralization in Zone 1 and indicates that more drilling is required to evaluate Zone 1 as well as Zones 3 and 4. The results presented in the table below are very encouraging.

**INVESTMENT IN MINERAL PROPERTIES (continued)**f) Greenoaks Property, Ontario (continued)

## Table of Significant Results from Greenoaks

Hole	From (m)	To (m)	Width (m)	Au (g/t)	Zone
GRN07-01	13.2	13.6	0.4	12.5	Zone 1, Visible Gold
GRN07-04	12.0	12.5	0.5	2.1	Zone 4, Visible Gold
GRN07-04	21.9	22.7	0.8	7.08	Zone 3, Visible Gold
GRN07-05	61.8	63.0	1.2	0.11	Zone 1, deepest mineralized intersection on the property

Hole GRN07-05 intersected Zone 1 at 50 m vertical depth and this is the deepest test of this zone. The zone was intersected from 61.8 m to 63.0 m downhole and it consists of solid quartz vein containing 5% sulphide minerals including pyrrhotite and chalcopyrite. The vein is visually impressive but since no visible gold was observed in the drill core, the gold assays are lower.

g) Dog Lake Property, Ontario

The Dog Lake property, located 14 km southwest of Missinabie, Ontario, in the Michipicoten greenstone belt, consists of 8 patented claims that cover 155 hectares. Previous work delineated gold bearing quartz veins with dimensions up to 34 metres long by 3 metres thick containing an average of 0.19 oz. /t gold. A short program of prospecting, mapping and sampling completed in 2005 located a shear zone that is from 20 to 25 metre wide and extends for approximately 1.5 kilometres across the property. Wide spread carbonate alteration and quartz veining are associated with the shear zone which occurs within a blue quartz-eye diorite. Results from the Company's 2005 work program returned up to 26.8 g/t gold and up to 0.41 g/t Pt+Pd.

**INVESTMENT IN MINERAL PROPERTIES (continued)**h) Alcudia Property, Ontario

The 100% owned Alcudia property covers 320 hectares is located adjacent to Noront's Windfall Lake property in Urban Township. A surface hydraulic stripping-trenching and sampling program was completed on the property in September 2006. Future work on this project will be based in part on the results obtained from underground exploration that is being initiated by Noront Resources on the adjoining Windfall Property. Alto owns a 0.5% Net Smelter Royalty on any production from the Windfall property.

i) Empress-Ridout Properties, Ontario

The Empress gold project is comprised of 1,312 hectares and is located adjacent to the Trans-Canada Highway near Terrace Bay in the productive Schreiber-Hemlo greenstone belt, Ontario. The Company owns 100% interest in the property.

Gold mineralization on the project claims occurs within a 15-25 m wide shear zone identified at the historic Empress gold mine immediately to the west and traceable for 1.8 km within the property.

A summer program of mapping and prospecting was completed in 2006. The work has confirmed the presence of a well mineralized shear zone that extends for almost 2 kilometres across the property. The shear zone is up to 25 metres wide and locally contains high gold grades. Gold mineralization obtained from previous work includes 22.3 g/t gold across 3 metres in surface trenching and 44.4 g/t gold over 0.6 metres in diamond drilling. The 2006 work has identified specific diamond drill targets along the mineralization shear zone and approximately 1,000 metres of drilling is required to test these targets.

**FINANCIAL AND OTHER INSTRUMENTS**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of those instruments.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the Company to select from possible alternative accounting principles, and to make estimates and assumptions that determine the reported amounts of assets and liabilities at the balance sheet date and reported costs and expenditures during the reporting period. Estimates and assumptions may be revised as new information is obtained, and are subject to change. The Company's accounting policies and estimates used in the preparation of the Financial Statements are considered appropriate in the circumstances, but are subject to judgments and uncertainties inherent in the financial reporting process.

Property acquisition costs and related direct exploration costs may be deferred until the properties are placed into production, sold, abandoned, or written down, where appropriate. The Company's accounting policy is to capitalize exploration costs consistent with Canadian GAAP and applicable guidelines for exploration stage companies. The policy is consistent with other junior exploration companies which have not established mineral reserves objectively. An alternative policy would be to expense these costs until sufficient work has been done to determine that there is a probability a mineral reserve can be established; or alternatively, to expense such costs until a mineral reserve has been objectively established. Management is of the view that its current policy is appropriate for the Company at this time. Based on annual impairment reviews made by management, or earlier if circumstances warrant, in the event that the long-term expectation is that the net carrying amount of these capitalized exploration costs will not be recovered, then the carrying amount is written down accordingly and the write-down charged to operations. A write-down may be warranted in situations where a property is to be sold or abandoned; or exploration activity ceases on a property due to unsatisfactory results or insufficient available funding.

## RISKS AND UNCERTAINTIES

The Company is in the mineral exploration and development business and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates.
- b) The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its properties to be earned by another party carrying out further exploration or development. Management was successful in accessing the equity markets during the period, but there is no assurance that such sources will be available on acceptable terms in the future.
- c) Any future equity financings by the Company for the purpose of raising additional capital may result in substantial dilution to the holdings of existing shareholders.

**RISKS AND UNCERTAINTIES (continued)**

- d) The Company must comply with environmental regulations governing air and water quality and land disturbance and provide for mine reclamation and closure costs.
- e) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue its exploration and development activities in the future.
- f) There is no certainty that the properties which the Company has deferred as assets on its balance sheet will be realized at the amounts recorded. These amounts should not be taken to reflect realizable value.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements. The Company has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined.

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information. The company's CEO and CFO have confirmed to the Company that they are satisfied with the effectiveness of the Company's system of disclosure controls and procedures as at March 31, 2007 based upon their evaluation of the effectiveness of such disclosure controls and procedures.

**OTHER INFORMATION**

Additional information is available on the Company's website at [www.altoventures.com](http://www.altoventures.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

**CAUTION REGARDING FORWARD LOOKING STATEMENTS**

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.