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Gold, Silver, Energy, Commodities, Economics

Alto Ventures Climbs Steadily To Golden Heights

By James West

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Midas Letter is always pleased when promising companies we have written about make the bold strides and meet the ambitious goals they have previously spoken about to us. In September of 2009 when Midas last talked with Alto Ventures Ltd. (TSX.V:ATV) the gold focused junior exploration company had entered into a joint venture agreement with Pacific Northwest Capital (TSX.V:PFN) on the Destiny Project in the Abitibi, with plans for a \$600,000 drill program to start the following October. The Destiny Project, acquired by Alto in 2004, was then described as having excellent potential with strong infrastructure, clear access and the company was confident that the diligent research and development it had put in on the site would yield positive results and set the company on the way to the path to a bright future. Last fall ATV president told Midas that the company was "... ready to proceed to the next step, and we think we've done a good job attracting a joint venture partner like Harry Barr's Pacific Northwest Capital, so we're excited about seeing this moving forward."

Well now, a mere five months later, Alto has made good with this weeks announcement of strong results from drilling on the Destiny Gold Project, in Quebec. These latest results, along with a broad portfolio of other highly prospective gold properties in the Canadian Shield put Alto in a clear position to prosper. With the company's stock now trading at a mere 5 cents quick moving investors will climb with the company.

Destiny Gold Project

Project manager Alto Ventures Ltd. in conjunction with Pacific North West Capital (TSX: PFN) have this week announced further promising results from diamond drilling completed during Phase 1 at the DAC Deposit on the Destiny Gold Project, Quebec.

The results include high-grade quartz veins containing up to 16.43 g/t gold over 0.5m (0.48 oz/ton) and 6.02 g/t gold over 1.2m (0.17 oz/ton) were intersected. Quartz veins occur within wide shear-related alteration systems which carry gold values of interest including 25.3m averaging 0.51 g/t and 49.5m averaging 0.36 g/t gold.

Mike Koziol, President & CEO of Alto expanded on the results and the prospects for the project

"Phase 1 program was completed on December 22nd, 2009 and consisted of 5,600m of drilling in 14 holes. These latest results and the results from previous



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holes of the Phase 1 drilling program, which include values up to 44.39 g/t gold (1.29 oz/ton) over 0.5m in quartz veins within wide mineralized shear zones that include 21.0m averaging 1.39 g/t, confirm the large size of the gold system at the DAC Deposit. “

The second phase of the drilling started in January and a third program is scheduled for later this year. Based upon the results from the first 12 holes the prospects are very positive indeed as they confirm a continuity of gold mineralization between holes drilled previously.

A Deep Portfolio of Prospective Properties

Speaking to Midas in September company president Mike Koziol talked about how tightly focused the ATV property portfolio was:

“We're focused on the Canadian Shield, as we always have and the reasons are that we believe the Canadian Shield has been explored very very superficially. Most of the major historical discoveries were made on outcrops. That leaves most of the Canadian Shield left to explore and Destiny is a good example of exploring off the outcrop areas. We are finding gold out there in areas of overburden cover. We are also finding encouragement in past producing areas that until recently lay dormant like the Beardmore district and our Coldstream Project.”

To take advantage of this broad but strategically focused package of locations and keep momentum building ATV has an ambitious schedule of exploration, development and drilling for them in the coming year.

At ATV's Coldstream property in Ontario, diamond drilling is scheduled for this winter in partnership with Foundation Resources. Foundation is working towards earning an initial 60% interest in the project and is funding the exploration work.

At Alto's 100% owned property in Vassal, Quebec, the company will begin another diamond drilling program at the end of February. The target for this property is a gold rich massive sulphide deposit similar to the LaRonde Mine operated by Agnico Eagle. Considering that the LaRonde mine in Quebec has reserves of about 5 million ounces of gold and past production of over 4 million ounces another announcement of positive drilling results can be expected soon.

Further west ATV owns 100% of a promising property in Oxford Lake, Manitoba in the 'Rusty Gold Zone'. This mine has historical resources of 800,000 tonnes of gold at an average grade of 6 g/t gold with the zone open along the strike and to depth. Alto plans a busy summer of exploration in Oxford Lake as several other gold mineralized drill holes which occur along the same geological seams as the Rusty Zone were revealed by previous drilling and will now be further explored and developed. This property has massive potential as the gold from Oxford Lake is associated with sulphide rich sections of an iron formation and the iron formation can be easily traced using airborne



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geophysics. ATV plans to do extensive airborne surveying this summer in preparation for diamond drilling to be completed during the 2010-2011 winter.

In addition to these prospective properties Alto has active works ongoing at its Beardmore properties in Ontario and plan to expand surface exploration work this spring and summer. The area has excellent potential for the discovery of new gold deposits and it is still very active.

The Steady Climb

With three separate gold properties set to be drilled this winter and an aggressive surface exploration program set for their most prospective properties in the Beardmore-Geraldton gold belt planned for this summer, ATV is looking forward to making many more announcements on positive results. The Destiny property alone has NI43-101 compliant resources of around 101,000 ounces and is currently being drilled to expand that number while Coldstream has historical resources estimated at 234,000 ounces of gold and Oxford Lake has an estimated 140,000 ounces. These are impressive numbers adding up to a total of about 475,000 resource ounces in the ground. With a market cap of about \$5 million, the gold in the ground is valued at only \$10.50 per resource ounce and with current gold prices exceeding \$1100 this valuation is significantly below its peers.

With cumulative expenditures of \$7 million over three years by joint venture partners on three projects, an excellent portfolio of properties in mining friendly jurisdictions, and a commitment to aggressive exploration this winter, ATV will not be a five cent stock for long and risk tolerant investors will strike with them.

Follow the company's progress at: <http://www.altoventures.com/s/Home.asp>