



Alto Ventures: A Four Cent Stock

By James West

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Some companies took a lot more of a hiding than others in the last 12 months. In many cases, its not so much a reflection of the company's projects or prognosis - investors had to sell, and so sell they did. Alto Ventures, (TSX.V:ATV) is an example of just such a company.

With over 90 million shares issued and a share price averaging a miniscule \$0.04, the question is, can Alto turn things around for itself and deliver a win to shareholders? With a project portfolio encompassing 11 separate properties, and two joint venture partners spending their money to earn in, it might not be such a bad flyer for risk tolerant investors.

After all, if a discovery hole drove the stock to \$0.08, that would be a double.

Obviously the company is very judicious at this point about how its money is spent, and so not all the projects are active.

I spoke to company president Mike Koziol about the prospects and activities of Alto Ventures.

"We're a gold junior exploration company and we've got some really high quality projects in the Canadian Shield, the Abitibi region of Quebec and the Western Superior region of Ontario, and also one in Manitoba," he said.

Destiny Project, Abitibi Region, Quebec

"We've just recently entered into a joint venture agreement with Pacific Northwest Capital (TSX.V:PFN) on our Destiny Project in the Abitibi, and that will see a \$600,000 drill program starting probably in October That's exciting because there's a 43-101 compliant resource that is still fairly small but has excellent potential for growth. The Destiny Project also has excellent infrastructure and access, being about 75 kilometres north of Val D'Or. It was discovered back in 1998 - 99 by the previous owners of the property prior to Alto. Alto acquired it in 2004, and we've done some excellent work - we've brought it into the resource category, and at this point it is open to depth and along strike - essentially in all directions. We're 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.

Prior to 1998, the property was subject to limited exploration. In 1998 Cameco Gold Inc, a subsidiary of Cameco Corporation, entered into a 70/30 JV with Commander Resources. Their work identified a strong shear-deformation corridor and resulted in the discovery of several parallel zones of anomalous gold including the Cameco named Area 1, Area 2, and Area 3.

Cameco initially focused on Area 1 and intersected gold down to 600 m vertical depth at what is now the DAC Deposit. At least four parallel zones of shearing and alteration ranging in horizontal width from 2.5 m to more than 60 m were identified and gold values range from 0.1 to 1.8 g/t across these wide zones.



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Higher grade veins were intersected within these wide zones including veins containing up to 78 g/t gold across 1.0m as well as wider zones averaging 5.1 g/t gold across 9.7 m.

Area 2 is located 1.5 km east of Area 1 and was tested by several holes spaced from 100 to 300 m apart. Sporadic gold was intersected, up to 34.8 g/t over 0.3 m. Alto's Darla Zone lies at the west end of Area 2.

Area 3 is located approximately 1.5 km east of Area 2. This area was tested by a single fence of six holes which intersected two gold zones, Zone 20 and 21. Zone 20 returned 4.6 g/t gold across 2 m and Zone 21 includes 2.4 g/t gold across 6 m. Several targets were also identified to the west of Area 1 and east of Area 3. These targets have similar geophysical signatures (magnetic and IP) as the areas where gold has already been found.

In 2002, Cameco stopped work on the project as part of corporate restructuring. In 2004, Alto entered into an agreement with Cameco to purchase Cameco's 70% interest. Alto purchased Commander's remaining 30% interest in 2008.

Exploration by Alto

The exploration model for gold mineralization at Destiny is the classic Archean shear controlled gold-quartz vein system associated with a major regional fault-deformation zone (Despinassy Shear Zone). The property is mostly covered with overburden and has very little exposures of bedrock. Therefore, the most effective exploration tool is diamond drilling and the best time for drilling is in the winter when the ground and muskegs are frozen.

Exploration by Alto included the drilling of 10,400 m in 40 holes and this work allowed preparation of a resource estimate compliant with NI-43-101 standards for the DAC Deposit*. The DAC deposit has an indicated resource of 167,000 tonnes averaging 6.88 g/t gold plus an inferred resource of 445,000 tonnes averaging 4.46 g/t gold for total of approximately 101,000 contained ounces. The mineralization is open along strike and to depth. Fine visible gold was observed in many drill holes and high grade intersections, up to 178.5 g/t gold, were obtained in several of the drill holes.

Exploration by Alto in Cameco's Area 2 resulted in the intersection of 19.5 g/t across 2.1m at Alto's Darla Zone located one kilometre east of the DAC Deposit. This zone is open to the west, east and to depth. Cameco's Zones 20 and 21 are located approximately 3 km east of DAC.

Exploration by Alto to the west of DAC outlined the mineralized Despinassy Shear Zone for another 1.5 km to the west. The results are encouraging because drilling intersected similar geology and alteration as at DAC including anomalous gold of 0.1 to 0.2 g/t gold across widths of 10 m as well as higher gold grades including 3.4 g/t across 0.7 m. This 1.5 km segment was tested with only 3 holes spaced 500 m apart.

Gold on the Destiny Project occurs mainly as free-gold in quartz veins associated with strongly altered shear zones.



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2008 Exploration Program

The 2008 winter diamond drilling program consisted of 17 holes in the Darla Zone, and in Zones 20 & 21, and intersected gold in each, including high grade gold of 20.6 g/t across 0.8 m at the Darla Zone. This high grade occurs within a wider mineralized section averaging 7.0 g/t gold across 2.5 m in DES08-104. DES08-114 intersected 5.3 g/t across 0.5 m at Zone 21 in Area 3.

Other Projects

While the Destiny project is obviously the flagship project with the nearest-term potential, the Coldstream property in Western Ontario will also see extensive work by a joint venture partner.

According to Mike Koziol, "The stock is essentially undervalued. We're trading at 4 cents and our market cap at that price is less than 4 million dollars. So it is undervalued, and the Coldstream Property alone is worth more than that. We have a joint venture with Foundation Resources and this property will also be seeing some significant work in the near future. The property has an historical resource and some excellent potential for expansion of the resource.

So in the next six months we will probably see two drill programs on two different properties, and in addition to that will be doing some more work in the Beardmore district, where we have been active for the last few years."

Alto Ventures Ltd. is a gold exploration and development company with a portfolio of highly prospective properties in the Canadian Shield. Alto's Management and Board of Directors have a long and successful track record of creating shareholder value through systematic exploration, acquisitions and discovery.

Mike Koziol summarized:

I think investors should be jumping on the stock - the potential is just excellent, and there will be a lot of work done on these projects. The Destiny project will see a major drill program before Christmas, and on the Coldstream property there's going to be about \$400,000 worth of work done in the next 3-4 months followed by diamond drilling in the next year or so,.

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.

We are gold focused, and if another commodity comes along that fits with what we are doing, we'll look at it, but we are really focused on gold."

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