



ALTO VENTURES LTD.
(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 and 2019

Stated in Canadian Funds

NOTICE OF NO REVIEW BY AUDITOR

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management of Alto Ventures Ltd.

Alto Ventures Ltd.'s independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

Alto Ventures Ltd.

(An Exploration Stage Company)

Condensed Interim Statements of Financial Position

Canadian Funds

(Unaudited - Prepared by Management)

As at	Note	March 31, 2020	June 30, 2019
		\$	\$
ASSETS			
Current assets			
Cash		300,877	789,245
Receivables	3	15,511	18,324
Marketable securities	4	169,446	302,784
Prepays and deposits		18,608	9,904
		<u>504,442</u>	<u>1,120,257</u>
Non-current assets			
Exploration and evaluation assets	5	2,156,161	2,156,161
		<u>2,660,603</u>	<u>3,276,418</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	48,412	21,318
Due to related parties	8	39,794	94,216
		<u>88,206</u>	<u>115,534</u>
SHAREHOLDERS' EQUITY			
Share capital	7	21,893,673	21,893,673
Contributed surplus - options	7	1,542,434	1,542,434
Contributed surplus - warrants	7	1,057,065	1,057,065
Deficit		(21,920,775)	(21,332,288)
		<u>2,572,397</u>	<u>3,160,884</u>
		<u>2,660,603</u>	<u>3,276,418</u>

Going concern and nature of operations (Note 1)

Subsequent events (Note 11)

Approved and authorized by the Board of Directors on May 25, 2020

"Richard Mazur", Director

"Gary Zak", Director

The accompanying notes are an integral part of these financial statements

Alto Ventures Ltd.*(An Exploration Stage Company)***Condensed Interim Statements of Operations and Comprehensive Loss***Canadian Funds**(Unaudited - Prepared by Management)*

	Note	For the three months ended		For the nine months ended	
		March 31,		March 31,	
		2020	2019	2020	2019
		\$	\$	\$	\$
General and administrative expenses					
Exploration and evaluation expenditures	5	50,035	48,417	118,391	240,339
Interest expense		-	1,141	-	1,141
Investor and shareholder relations		13,910	4,905	20,901	7,191
Legal, accounting and management		133,214	31,963	217,657	116,966
Office administration		15,524	17,607	58,267	52,854
Consulting and wages		7,748	40,217	48,227	27,194
Share-based compensation	7	-	-	-	44,284
Transfer agent and filing fees		4,133	6,139	7,316	9,928
Travel and promotion		4,825	(18,467)	9,392	10,116
Loss before the following		229,389	131,922	480,151	510,013
Recovery of exploration & evaluation assets	5	-	-	-	(70,000)
Gain on debt settlement	8	(25,000)	-	(25,000)	-
Unrealized loss (gain) on marketable securities		78,565	158,426	133,336	44,717
		53,565	158,426	108,336	(25,283)
Loss and comprehensive loss for the period		282,954	290,348	588,487	484,730
Loss per share		\$	\$	\$	\$
- Basic		0.01	0.01	0.01	0.00
- Diluted		0.01	0.01	0.01	0.00
Weighted average number of common shares outstanding		#	#	#	#
- Basic		56,373,295	56,373,295	56,373,295	56,373,295
- Diluted		56,373,295	56,373,295	56,373,295	56,373,295

The accompanying notes are an integral part of these financial statements

Alto Ventures Ltd.

(An Exploration Stage Company)

Condensed Interim Statements of Cash Flows

Canadian Funds

(Unaudited - Prepared by Management)

	For the nine months ended	
	March 31,	
	2020	2019
	\$	\$
Cash resources used in		
Operating activities		
Loss for the period	(588,487)	(484,730)
Items not affecting cash:		
Recovery of exploration & evaluation assets	-	(70,000)
Share-based compensation	-	44,284
Unrealized loss on marketable securities	133,336	44,717
Gain on debt settlement	(25,000)	-
Decrease (increase) in accounts receivables	2,813	(16,232)
Decrease (increase) in prepaids and deposits	(8,704)	(199)
(Decrease) increase in accounts payable and accrued liabilities	63,296	(45,049)
(Decrease) increase in amounts due to related parties	(65,622)	4,401
Cash used in operating activities	(488,368)	(522,808)
Investing activities		
Cash provided by investing activities	-	-
Financing activities		
Cash provided by financing activities	-	-
Net increase in cash	(488,368)	(522,808)
Cash - Beginning of year	789,245	1,372,471
Cash - End of period	300,877	849,663

Supplementary Disclosure

Fair value shares received under sale or option agreement	-	70,000
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The accompanying notes are an integral part of these financial statements

Alto Ventures Ltd.

(An Exploration Stage Company)

Condensed Interim Statements of Shareholders' Equity

Canadian Funds

(Unaudited - Prepared by Management)

	Share Capital		Contributed Surplus		Accumulated Other Comprehensive	Deficit	Total
	Number	Amount	Options	Warrants	Loss		
June 30, 2018	56,373,295	21,893,673	1,498,150	1,057,065	34,450	(20,802,223)	3,681,115
Share-based compensation	-	-	44,284	-	-	-	44,284
Reclassification on the adoption of IFRS 9	-	-	-	-	(34,450)	34,450	-
Loss for the period	-	-	-	-	-	(484,730)	(484,730)
March 31, 2019	56,373,295	21,893,673	1,542,434	1,057,065	-	(21,252,503)	3,240,669
Loss for the period	-	-	-	-	-	(79,785)	(79,785)
June 30, 2019	56,373,295	21,893,673	1,542,434	1,057,065	-	(21,332,288)	3,160,884
Loss for the period	-	-	-	-	-	(588,487)	(588,487)
March 31, 2020	56,373,295	21,893,673	1,542,434	1,057,065	-	(21,920,775)	2,572,397

The accompanying notes are an integral part of these financial statements

Alto Ventures Ltd.
(An Exploration Stage Company)
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended March 31, 2020 and 2019
(Canadian Funds)

1. Going concern and nature of operations

Alto Ventures Ltd. (“the Company”) is engaged in the acquisition, exploration and evaluation of Canadian gold projects. The head office is located at Suite 615, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and the registered and records office of the Company is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its 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 exploration and evaluation assets represent acquisition costs incurred to date, less amounts written down or written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon raising financing, the sale or joint venturing of the exploration and evaluation assets, and/or the attainment of profitable operations.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, 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 operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation projects. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete the exploration of its mineral interests by the issuance of share capital or through joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. During the period ended March 31, 2020, the Company incurred a loss of \$588,487, and at March 31, 2020 had working capital of \$416,236, and an accumulated deficit of \$21,920,775.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

Management plans to continue to seek the necessary financing through a combination of issuance of new equity instruments, entering into joint venture or debt financing arrangements; however, there is no assurance that the Company will be successful in these actions. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

Statement of Compliance

These interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting and interpretations of the IFRS Interpretations Committee (“IFRIC”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition,

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these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements. Except as noted below under Changes in Accounting Policies, these condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements of the Company for the year ended June 30, 2019. These condensed interim financial statements do not contain all disclosures required by International Financial Reporting Standards ("IFRS") and accordingly should be read in conjunction with the annual financial statements for the year ended June 30, 2019 and the notes thereto.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in the notes of the annual financial statements for the year ended June 30, 2019.

Changes in accounting policies

a) Adoption of new IFRS pronouncements

The adoption of the following IFRS standards and amendments to existing standards effective July 1, 2019 did not have an effect on the Company's financial statements:

- i) IFRS 16, "Leases" is effective for annual periods beginning on or after January 1, 2019.
- ii) IFRIC 23, "Uncertainty over Income Tax Treatments": the effective for annual periods beginning on or after January 1, 2019.

b) New accounting standards not yet adopted

- i) IAS 1, "Presentation of Financial Statements" is effective for annual periods beginning on or after January 1, 2020.
- ii) IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" is effective for annual periods beginning on or after January 1, 2020.

The Company has initially assessed that there will be no material impact on the statements of financial position or results of operations as a result of adopting the new standards above; however, enhanced disclosure requirements are expected.

2. Management of financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Interest rate risk

The Company has no material exposure at March 31, 2020 to interest rate risk through its financial instruments.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period. Sensitivity to a plus or minus 1% change in cash interest rates would affect net loss by \$5,350 annually. The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

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Currency risk

As at March 31, 2020, all of the Company's cash was held in Canadian dollars, the Company's reporting currency. The Company has no operations in foreign jurisdictions at this time and as such has no currency risk associated with its operations.

Credit risk

The Company has some cash balances and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote.

Receivables consist of goods and services tax ("GST") due from the Federal Government of Canada.

Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at March 31, 2020, the Company had a cash balance of \$300,877 (June 30, 2019: \$789,245) to settle current liabilities of \$88,206 (June 30, 2019: \$115,534).

3. Receivables

The Company's receivables consist of \$15,511 (June 30, 2019: \$18,248) in GST due from the Federal Government, \$Nil (June 30, 2019: \$76) in QST from the Government of Québec.

4. Marketable securities

Company	March 31, 2020		
	Shares (#)	Cost (\$)	Market Value (\$)
Trakopolis IOT Corp. (TRAK: TSX-V) ⁽²⁾	7,500	41,000	220
Canoe Mining Ventures Corp. (CLV:CNX) ⁽¹⁾	335,675	1,304,961	53,708
Wescan Goldfields Inc (WGF: TSX-V)	305,000	262,000	16,775
New Age Metals Inc. (NAM: TSX-V)	16,667	33,875	1,000
Razore Rock Resources Inc. (RZR:CNX)	40,000	21,000	2,000
Osisko Mining Inc. (OSK: TSE)	24,100	110,000	53,743
Sanatana Resources Inc. (STA: TSX-V)	4,200,000	164,000	42,000
	4,928,942	1,936,836	169,446

⁽¹⁾ On September 18, 2019, the shares of Canoe Mining Ventures Corp. ("Canoe") were consolidated as to 4 old shares of Canoe for one new share of Canoe. There was no change to the company name or its trading symbol.

⁽²⁾ On January 27, 2020, Trakopolis IOT Corp. ("Trakopolis") was placed in bankruptcy; on January 30, 2020, Trakopolis was suspended from trading by the TSX-Ventuer Exchange ("TSX-V"), and effective with February 7, 2020, Trakopolis was delisted from the TSX-V for failure to maintain Exchange requirements.

Alto Ventures Ltd.
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Notes to the Condensed Interim Financial Statements
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June 30, 2019			
Company	Shares (#)	Cost (\$)	Market Value (\$)
Trakopolis IOT Corp. (TRAK: TSX-V)	7,500	41,000	900
Canoe Mining Ventures Corp. (CLV:CNX)	1,342,700	1,304,961	40,281
Wescan Goldfields Inc (WGF: TSX-V)	305,000	262,000	10,675
New Age Metals Inc. (NAM: TSX-V)	16,667	33,875	1,000
Razore Rock Resources Inc. (RZR:CNX)	40,000	21,000	2,400
Osisko Mining Inc. (OSK: TSE) ⁽¹⁾	24,100	110,000	79,528
Sanatana Resources Inc. (STA: TSX-V)	4,200,000	164,000	168,000
	5,935,967	1,936,836	302,784

⁽¹⁾ On October 22, 2018, the shares of Beaufield Resources Inc ("Beaufield") were acquired by Osisko Mining Inc. ("Osisko"), such that for every share of Beaufield the Company received 0.0482 share of Osisko (OSK).

During the year ended June 30, 2019, the Company received, in connection with the Empress project, a total of 3,200,000 shares valued in total at \$124,000. The Company also received warrants allowing for the purchase of up to, in the aggregate, 1,000,000 shares in the capital of Sanatana Resources Inc. at \$0.10 per share until June 25, 2022. The warrants were received at a nominal value.

The shares owned by the Company represent minor ownership in each of the companies in the above schedules.

5. Exploration and evaluation assets

The Company has investigated ownership of its mineral interests as at June 30, 2018 and 2019, and at March 31, 2020 and, to the best of its knowledge, ownership of its interests is in good standing.

	June 30, 2018 (\$)	June 30, 2019 (\$)	March 30, 2020 (\$)
Quebec			
Destiny	809,100	809,100	809,100
Ontario			
Greenoaks	450,000	450,000	450,000
Miner Lake	9,568	9,568	9,568
Mud Lake	40,163	40,163	40,163
Brookbank East	3,810	3,810	3,810
Manitoba			
Oxford	843,520	843,520	843,520
Total exploration and evaluation assets	2,156,161	2,156,161	2,156,161

The following tables show the property acquisition and exploration activity during the period ended March 31, 2020 and the year ended June 30, 2019:

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(An Exploration Stage Company)
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	Nine months ended March 31, 2020										Year Ended June 30, 2019	
	Quebec	Ontario							Manitoba		Total	Total (\$)
	Destiny (\$)	Empress (\$)	Greenoaks (\$)	Miner Lake (\$)	Mud Lake (\$)	Brookbank East (\$)	Golden Heart (\$)	Oxford (\$)	General (\$)	Total (\$)		
Opening balance	809,100	-	450,000	9,568	40,163	3,810	-	843,520	-	2,156,161	2,156,161	
Acquisition costs												
Net acquisition costs	809,100	-	450,000	9,568	40,163	3,810	-	843,520	-	2,156,161	2,156,161	
Exploration expenditures												
Assays	5,400	-	-	-	-	-	-	-	-	5,400	10,800	
Mapping	-	-	-	4,936	614	-	-	-	20,986	26,535	102,349	
Computer/Digitization	11,210	-	-	4,150	-	600	250	150	100	16,460	48,830	
Drilling	36,300	-	-	1,136	-	-	-	-	-	37,435	197,280	
Report Filing	6,188	-	-	7,920	4,620	2,640	-	-	-	21,368	4,620	
Management	-	1,320	-	-	-	-	-	660	-	1,980	17,160	
License/Permit/Claims	4,567	-	1,479	-	1,350	-	1,450	-	366	9,212	9,643	
Geophysics	-	-	-	-	-	-	-	-	-	-	250	
Government Rebates	-	-	-	-	-	-	-	-	-	-	(98,210)	
	63,664	1,320	1,479	18,142	6,584	3,240	1,700	810	21,452	118,391	292,722	
Exploration expenditures expensed	(63,664)	(1,320)	(1,479)	(18,142)	(6,584)	(3,240)	(1,700)	(810)	(21,452)	(118,391)	(292,722)	
Ending balance	809,100	-	450,000	9,568	40,163	3,810	-	843,520	-	2,156,161	2,156,161	

The following reflects the Company's ownership of or interest in its exploration and evaluation assets, and any additional terms or underlying Net Smelter Return Royalties ("NSR"), as at March 31, 2020:

Property	Cell Claim			Ownership (%)
	Claims (#)	Units (#)		
Quebec				
Destiny	127	-	100	subject to underlying NSR
Ontario				
Empress	-	58	100	subject to underlying NSR; under option to Sanatana Resources Inc.
Greenoaks	-	15	100	subject to underlying NSR
Miner Lake	-	226	100	subject to underlying NSR
Mud Lake	-	182	100	subject to underlying NSR
Three Towers	-	66	100	subject to underlying NSR
Brookbank East	-	63	100	Nil
Golden Heart	-	2	100	Nil
Manitoba				
Oxford Lake	17	-	100	subject to underlying NSR
Oxford Lake MELs	3	-	100	Nil

a) Empress

The Company has a 100% interest in the Empress property. On February 3, 2017, the Company entered into an agreement (the "Sanatana Agreement") to option 100% of its interest in the Empress project to Sanatana Resources Inc. ("Sanatana"), pursuant to which Sanatana is required to make certain cash and share payments to the Company, and incur exploration expenditures on the Empress Property. The payment terms of the Sanatana Agreement, as amended, follow:

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	Cash (\$)	Shares of Sanatana (#)	Warrants to acquire shares of Sanatana at \$0.10 per share for 3 years from date of issue (full warrant) (#)	Minimum exploration expenditures (\$)
Effective date (June 21, 2017)	50,000 ⁽¹⁾	1,000,000 ⁽¹⁾	-	-
Effective date (June 21, 2017)	-	-	-	20,000 ⁽¹⁾
On or before June 10, 2019	25,000 ⁽⁴⁾	-	-	-
On or before June 21, 2018	-	2,000,000 ⁽²⁾	-	-
On or before June 30, 2019	-	1,000,000 ⁽⁵⁾	1,000,000 ⁽⁶⁾	-
On or before June 30, 2019	-	200,000 ^{(3) (5)}	-	-
On or before December 31, 2019	-	-	-	150,000 ⁽⁷⁾
Total	75,000	4,200,000	1,000,000	170,000

⁽¹⁾ Received June 21, 2017

⁽²⁾ Received August 10, 2018; the shares were valued at \$70,000

⁽³⁾ Received in consideration for the extension of the cash payment due June 21, 2018; the shares were valued at \$9,000

⁽⁴⁾ Received June 4, 2019

⁽⁵⁾ Received June 25, 2019; the shares were valued at \$45,000

⁽⁶⁾ Received June 25, 2019; the warrants allow for the acquisition of 1,000,000 shares of Sanatana at \$0.10 per share until June 25, 2022; the warrants were valued at \$nil

⁽⁷⁾ Note 10

The value of the Sanatana securities and cash received is presented as a recovery on the Statement of Operations and Comprehensive Loss.

Subsequent to the period, on April 15, 2020, Sanatana fulfilled the required terms of the Agreement and 100% interest in the Empress property was transferred to Sanatana. Alto retains a 1% NSR royalty on existing claims and 0.33% NSR on claims which lie within a predetermined area of interest and were acquired during the option period.

b) **Golden Heart**

In October 2019, the Company staked 1 claim and staked a second claim in January, 2020 at the Golden Heart property located in Ontario.

c) **Oxford Lake**

The Company owns a 100% interest in the Oxford Lake property, subject to certain underlying royalties on some of the claims. In December 2017 the Company was informed by the Government of Manitoba that its work permit application is being delayed due to challenges by the Bunibonibee Cree Nation in respect of the consultation process. In December 2018, the Company received a work permit to carry out exploration programs consisting of line cutting, ground geophysics and 3,000 m of diamond drilling on its Oxford Lake project in Manitoba. The work permit was issued with certain conditions including a requirement that a heritage resource impact assessment (satisfactory to the Historic Resource Branch of Manitoba Sport, Culture and Heritage) be completed before work begins.

6. Accounts payable and accrued liabilities

The Company's accounts payable and accrued liabilities consist of \$48,412 (June 30, 2019: \$5,318) in accounts payable and \$Nil (June 30, 2019: \$16,000) in accrued liabilities.

7. Share capital and contributed surplus

Authorized share capital: Unlimited Common shares without par value

a) **Common shares issued:**

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Period ended March 31, 2020:

- The Company issued no common shares during the period ended March 31, 2020.

Year ended June 30, 2019:

- The Company issued no common shares during the year ended June 30, 2019.

b) Warrants:

The following is a summary of the Company's warrants outstanding as at March 31, 2020, which outstanding warrants have a weighted average life of 1.08 years at March 31, 2020:

Warrants	Grant Date	Warrants Issued (#)	Price per Share (\$)	Expiry Date
Warrants	October 19, 2017	1,775,000	0.06	April 19, 2021 ^[1]
Warrants	December 4, 2017	2,002,857	0.06	June 4, 2021 ^[2]
Warrants	December 27, 2017	1,268,750	0.06	June 27, 2021 ^[3]
Finders' fees warrants	October 19, 2017	224,000	0.12	April 19, 2020 ^[4]
Finders' fees warrants	December 4, 2017	175,450	0.12	June 4, 2020
		5,446,057		

- (1) The exercise price and expiry date of these warrants were amended from \$0.12 per warrant expiring April 19, 2020.
- (2) The exercise price and expiry date of these warrants were amended from \$0.12 per warrant expiring June 4, 2020.
- (3) The exercise price and expiry date of these warrants were amended from \$0.12 per warrant expiring June 27, 2020. These warrants will also be subject to accelerated expiry 30 days following notice in circumstances where the closing price of the Company's shares for 10 consecutive trading days is \$0.075 or greater.
- (4) Expired subsequent to the period.

Warrant transactions were as follows:

	Number of warrants	Weighted Average Exercise Price
Balance – June 30, 2018	11,319,132	0.11
Expired	(5,873,075)	0.11
Balance – June 30, 2019	5,446,057	0.12
Balance – March 31, 2020	5,446,057	0.07

c) Stock 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 TSX-Venture Exchange (the "Exchange") on the last trading day preceding the grant date. The options vest immediately, except for investor relations employees which vest quarterly over a one-year period, and share-based compensation is expensed based upon the relative fair values and vesting conditions of the options granted. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models

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do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

The following is a summary of the Company's options outstanding as at March 31, 2020, which outstanding options have a weighted average life of 2.83 years at March 31, 2020:

Date of Grant	Options Issued (#)	Price per Share (\$)	Expiry Date	Options Exercisable (#)
December 10, 2015	325,000	0.05	December 10, 2020	325,000
March 27, 2017	700,000	0.10	March 27, 2022	700,000
September 19, 2018	2,000,000	0.05	September 19, 2023	2,000,000
	3,025,000			3,025,000

Stock option transactions were as follows:

	Number of options (#)	Weighted Average Exercise Price (\$)
Balance – June 30, 2018	2,025,000	0.080
Expired	(1,000,000)	0.072
Granted	2,000,000	0.050
Balance – June 30, 2019	3,025,000	0.062
Balance – March 31, 2020	3,025,000	0.062

8. Related party transactions

- a) During the periods ended March 31, 2020 and 2019, the Company incurred the following net charges, all recorded based on fair value, in respect of services received from related parties:

	Nine months ended March 31,	
	2020	2019
	(\$)	(\$)
Mike Koziol - services (Officer and Director)	125,500	117,000
Mirador Management – management fees (company with an officer in common)	31,500	31,500
J Collins Consulting - Corporate Secretary services until February 11, 2020	88,400	27,000
Venturex Consulting - CFO services until February 11, 2020	48,000	31,500
ASI Accounting Services - CFO from February 20, 2020	3,423	-
David Cowan - Director and appointed Corporate Secretary effective February 20, 2020	14,445	-
McMillan LLP – legal fees (Legal firm with a partner and Company Director in common) until December 31, 2019	11,640	8,821
Total	322,907	215,821

In respect of services provided to and expenses incurred on behalf of the Company, the Company owed various related parties the following at March 31, 2020 and June 30, 2019:

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	March 31, 2020	June 30, 2019
	(\$)	(\$)
In respect of services provided to the Company		
owed to Companies with directors and officers in common	3,594	5,794
owed to a Directors and Officers	36,200	72,000
In respect of expenses incurred on behalf of the Company		
owed to Directors and Officers	-	16,422
	39,794	94,216

In addition, pursuant to an agreement with an officer, a severance payment of \$156,000 will be due to the officer in the event of termination without cause.

During the nine month period ended March 31, 2020, the Company made severance payments of \$81,000 (2019 - \$Nil) to two officers of the Company pursuant to their resignation from the Company.

The Company entered into a Settlement Agreement with the President of the Company to settle outstanding debt due to the President. The Company has agreed to pay \$50,000 plus applicable taxes as to \$25,000 in cash (paid) and as to \$25,000 by the issuance of 250,000 post-consolidation shares at a deemed price of \$0.10 per share following the closing of the transaction pursuant to the Proposed Business Combination (Note 10). The Settlement Agreement with the President resulted in a gain of \$25,000 on the settlement of the debt.

b) Compensation of key management personnel

During the periods ended March 31, 2020 and 2019, the Company incurred the following fees from key management personnel:

	Nine months ended March 31,	
	2020	2019
	(\$)	(\$)
Management fees	322,907	215,821
Share-based compensation	-	44,284
	322,907	260,105

9. Segmented information

(a) Operating Segment

The Company's operations are primarily directed towards the acquisition and exploration of resource properties in Canada and consequently there is only one operating segment.

(b) Geographic information

All interest income is earned in Canada and all assets are held in Canada.

10. Proposed Business Combination

On February 4, 2020, the Company entered into a non-binding letter agreement ("LOI") for a proposed business combination ("Transaction") with Empress Resources Corp. ("Empress"), pursuant to which the Company will acquire all the issued and outstanding common shares of

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Empress from their holders on the basis of one common share of the Company being exchanged for each common share of Empress. The combination of the Company and Empress will create a company ("New Alto") which will hold the mineral properties currently held by the Company. The Company will undergo a 5:1 share consolidation effective upon closing of the Transaction.

On March 6, 2020 the Company and Empress announced that they executed a definitive agreement for a business combination which is to be effected pursuant to an arrangement under the *Business Corporation Act* (British Columbia) (the "Transaction"). Pursuant to the Transaction:

- Empress will be acquired by Alto, and former Empress shareholders will hold 52% of the issued and outstanding shares of the combined entity, New Alto.
- Shares of Empress Royalty Corp., a wholly owned subsidiary of Empress, ("Empress Royalty") will be distributed to shareholders of Alto and Empress. Former Empress shareholders will hold 52% of the outstanding common shares of Empress Royalty, and shareholders of Alto will hold 48% of such shares on completion of the Transaction.
- As a result of the Transaction, New Alto will acquire \$1.25 million of the approximate \$1.5 million in cash currently held by Empress. Empress Royalty will receive \$250,000 in cash from Empress and will receive from Alto 13 royalties and a portfolio of marketable securities with an approximate value of \$250,000.
- Following completion of the Transaction, Empress Royalty will carry on business as a royalty company, and New Alto will continue as an exploration company exploring the properties presently held by Alto.
- It is intended that New Alto and Empress Royalty will each undertake a concurrent financing to provide them with funds to finance their respective operations and, in the case of New Empress, to fund potential future royalty acquisitions.
- The New Alto financing will be a unit offering at a price of \$0.10 per unit (after giving effect to a 5:1 share consolidation which New Alto intends to undertake in conjunction with the Transaction), with each unit consisting of one common share and one full warrant exercisable for one common share at a price of \$0.20 for a term of two years. Use of proceeds will be for exploration of New Alto's mineral exploration properties. The terms of the Empress Royalty financing have not yet been determined.
- Pursuant to the Transaction, Empress may acquire royalties or interests in royalties prior to the completion of the Transaction and may fund such acquisitions from the cash which it presently holds. Should this happen, Empress must undertake a financing to replace the cash which it expends on such acquisitions prior to the completion of the Transaction. Any royalties acquired by Empress prior to closing of the Transaction will be transferred to Empress Royalty in exchange for the issuance to Empress of that number of Empress Royalty shares equal to the cost of acquiring such royalties divided by \$0.05, and these Empress Royalty shares will be distributed on a pro rata basis to the former Empress shareholders. In the event such financing occurs, the exchange ratio of Empress shares for Alto shares will be adjusted so former Empress shareholders will still hold 52% of New Alto on completion of the Transaction.
- On completion of the Transaction:
 - New Alto's Board of Directors will consist of Rick Mazur, Mike Bandrowski and three nominees of Empress. New Alto's CEO will be Mike Bandrowski and Mike Koziol will remain on the Advisory Board.

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- Empress Royalty's Board of Directors will consist of six members, four of whom will be nominees of Empress, plus Rick Mazur and an additional nominee of Alto. Empress Royalty's CEO will be Alexandra Woodyer Sherron.
 - A finder's fee is payable by Alto to Mike Bandrowski of \$37,500 cash and \$37,500 in New Alto shares at a deemed price of 10 cents, subject to acceptance of the TSXV Exchange.
 - The Transaction is subject to the approval of the TSX Venture Exchange and requires approval by the security holders of Empress.

On March 19, 2020 the Company announced that it is undertaking an offering of 10,000,000 subscription receipts (the "Subscription Receipts") at \$0.10 per Subscription Receipt so as to raise \$1,000,000 (the "Offering"). Each Subscription Receipt will be exchangeable, without further consideration, for one post-consolidation common share (a "Share") and one share purchase warrant (a "Warrant") (together the "Underlying Securities"). Each Warrant is exercisable for one common share of Alto at a price of \$0.20 for a term of two years, provided that the warrant term may be accelerated by notice in circumstances where, at any time following 4 months from the date of issuance of the Subscription Receipts, the Shares of Alto close at or above \$0.25 for 10 consecutive trading days. In such case Alto may elect, by notice in writing, to shorten the exercise period of the Warrants to 30 days from the date of such notice.

The Subscription Receipts are exchangeable for the Underlying Securities upon the later of the closing of the business combination with Empress and the completion of a 5 old for 1 new consolidation (the "Consolidation") of the outstanding shares of Alto, contemplated to be effected concurrent with the business combination. The Shares issuable on exchange of the Subscription Receipts and the Shares issuable upon exercise of the Warrants will be issued on a post-Consolidation basis.

The Offering's subscription receipts was subsequently increased from \$1,000,000 to \$2,000,000 and then again to \$2,250,000 with all the other terms and conditions remaining unchanged.

Proceeds from the Offering are to be held in escrow by an escrow agent to be appointed by Alto and released to Alto upon the exchange of the Subscription Receipts for the Underlying Securities. If the exchange has not occurred by July 31, 2020, the proceeds will be released to the subscribers.

11. Subsequent Events

The Company has received subscription proceeds pursuant to the Offering originally announced on March 19, 2020. Proceeds from the Offering are to be held in escrow by an escrow agent to be appointed by Alto and released to Alto upon the exchange of the Subscription Receipts for the Underlying Securities. If the exchange (refer to Note 10) has not occurred by July 31, 2020, the proceeds will be released to the subscribers. Conditional approval for the Offering was received from the Exchange on May 13, 2020.