



MANAGEMENT'S DISCUSSION AND ANALYSIS

**For the Year Ended
June 30, 2017
(the "Period")**

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FORWARD LOOKING INFORMATION

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual financial statements which are filed and available for review on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

INTRODUCTION

The following management's discussion and analysis ("MD&A" or "Report") of Alto Ventures Ltd. ("Alto" or "the Company") has been prepared as of October 24, 2017 (the "Report Date"). This MD&A should be read in conjunction with the Company's audited financial statements and the notes thereto for the year ended June 30, 2017, which have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") ("Financial Statements"). The Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. Unless otherwise specified, all dollar amounts in this Report are in Canadian Dollars.

Management is responsible for the preparation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the Financial Statements and Management Discussion and Analysis ("MD&A"), is complete and reliable.

DESCRIPTION OF BUSINESS

The Company was incorporated under the provisions of the British Columbia Business Corporations 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.

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.

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The Company has investigated ownership of its mineral interests as at June 30, 2017 and, to the best of its knowledge, ownership of its interests are in good standing.

HIGHLIGHTS FOR THE PERIOD

The Company continues in its operational effectiveness measures while maintaining the Company in good standing.

- Pursuant to announcements made on December 16, 2016 and February 2, 2017, the Company closed non-brokered private placements for total gross proceeds of \$800,410 as follows:

	Private Placement Announced December 16, 2016		Private Placement Announced February 2, 2017	Total
	Tranche #1	Tranche #2		
Closing Date	December 30, 2016	January 31, 2017	February 21, 2017	
Gross Proceeds	\$465,000	\$168,460	\$166,950	\$800,410
FT Shares Issued	8,600,000	450,000	-	9,050,000
NFT Shares Issued	700,000	2,919,200	2,385,000	6,004,200
NFT Warrants Issued	5,000,000	3,144,200	2,385,000	10,529,200
NFT Warrant Exercise Price	\$0.10	\$0.10	\$0.12	
NFT Warrant Expiry Date	June 30, 2018	July 31, 2018	August 20, 2018	
Finders' Fees				
Cash	\$32,550	\$2,100	\$8,348	\$42,998
NFT Warrants	651,000	42,000	-	693,000
Exercise Price	\$0.05	\$0.05	-	
Expiry Date	December 30, 2017	January 31, 2018	-	

- On February 3, 2017, the Company entered into an option agreement (the "Option Agreement") to option 100% of its interest in the Empress project to Sanatana Resources Inc. ("Sanatana"), pursuant to which Sanatana is required to make cash payments totaling \$125,000 (\$50,000 received prior to June 30, 2017) and issue in stages a total of 3,000,000 shares in the capital of Sanatana to the Company over a 12 month period (1,000,000 shares received prior to June 30, 2017; fair valued at \$40,000), incur expenditures totaling \$150,000 on the property over a 24-month period, and, upon closing, reimburse \$20,000 (reimbursed) to the Company in respect of previous exploration expenditures incurred by the Company. The Option Agreement also provides that Sanatana will pay the Company a 1% NSR royalty on the claims comprising the property and a 0.33% NSR royalty on any claims staked, during the term of the Option Agreement, within an area of interest provided for in the Option Agreement.
- On May 23, 2017, the Company entered into a sales agreement with Beaufield Resources Inc. ("Beaufield"), pursuant to which Beaufield acquired the claims comprising the Alcudia property (also known as the Windfall Property) (the "Beaufield Agreement"). Pursuant to the terms of the Beaufield Agreement, the Company received \$300,000 and 2,750,000 shares in the capital of Beaufield, which shares were fair valued at \$605,000. The Company retains a 1% NSR on the property with a buyback provision for 0.5% of the NSR by Beaufield for \$1,000,000.
- During February, 2017 the Company completed a Reverse Circulation drilling program on the GEFA diamond project testing four high-priority aeromagnetic targets. The program did not locate any kimberlites and the sources of Kimberlite Indicator Mineral trains delineated in 2014 remain unknown. The GEFA Option was terminated in June 2017 and all costs relating to the property were written off.

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- During the year ended June 30, 2017, the Company elected to allow the claims comprising the Fisher property to expire. As such, all acquisition and holding costs on the property were written off.
- On March 2, 2017, the Company announced the appointment of Dr. Laurence (Laurie) Curtis to its Advisory Board. Dr. Curtis brings over 40 years of experience in the mining industry and capital markets, with a proven track record in corporate development, mine development and project financing (news release dated March 2, 2017).

RESULTS OF OPERATIONS

Share-based payments is a non-cash item, resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the options and expected volatility, and is intended to represent the fair value determined under the Black-Scholes model of the vested portion of existing options during the period.

- ***year ended June 30, 2017 ("Period") results as compared with the year ended June 30 2016 ("2016 Period")***

The Company's gain for the Period was \$295,836 (2016 Period: loss of \$1,854,107), which amount includes exploration and evaluation expenditures of \$421,182 for the Period (2016 Period \$112,526), the recognition of share-based compensation on the vesting of stock options of \$68,256 (2016 Period: \$5,084), and the gain on sale or option of exploration and evaluation assets totalling \$990,000 (2016 Period: \$Nil) in respect of the Alcludia and Empress properties. In addition, the Company wrote off \$66,250 on the abandonment of the GEFA and the Fisher properties (2016 Period: \$78,392 in respect of the Vassal, Côté Archie and La Ronge properties), and during the Period, the Company incurred a permanent write down of marketable securities of \$Nil (2016 Period: \$1,515,372). On exclusion of those items, the Company incurred net general and administrative expenses of \$138,476 (2016 Period: \$142,733), for a reduction in net general and administrative expenditures of approximately 3%.

- ***three months ended June 30, 2017 ("Q4-2017") results as compared with the three months ended June 30, 2016 ("Q4-2016")***

The Company's gain for the Q4-2017 was \$787,381 (Q4-2016: loss of \$1,583,778). The Company disposed of the Alcludia and the Empress properties (combined write off of \$66,250), for which it received total consideration of \$990,000, which amount includes 1,000,000 shares of Sanatana valued at \$40,000 and 2,750,000 shares of Beaufield valued at \$605,000. Exploration and evaluation expenditures increased to \$128,320 in Q4-2017 (Q4-2016 \$28,887). Consulting and wages and recovery of expenses reflected a net credit of \$69,312 (Q4-2016: \$66,095) on forgiveness of amounts owed to an officer and Director of the Company, and the Company incurred a permanent write down of marketable securities of \$Nil (Q4-2016: \$1,515,372).

SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the audited financial statements, prepared in accordance with IFRS, and related notes.

	Years ended June 30,		
	2017	2016	2015
	(\$)	(\$)	(\$)
Total revenues	-	-	-
Exploration and evaluation expenditures	421,183	112,526	541,929
Interest income	-	-	88
Loss for the year	(295,836)	1,854,107	1,020,919
Basic and diluted loss per share	(0.01)	0.08	0.04
Total assets	3,943,907	2,415,274	2,700,270
Total long term liabilities	-	-	-
Dividends declared	-	-	-

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SUMMARY OF QUARTERLY RESULTS

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

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
<i>In thousands \$</i>								
Financial results								
Net loss (income) for period	(787)	334	79	79	1,584	72	86	113
Basic and diluted (income) loss per share	(0.02)	0.01	0.00	0.00	0.06	0.00	0.00	0.00
Exploration and evaluation expenditures	128	217	32	44	30	3	16	64
Balance sheet data								
Cash and short term deposits	951	479	465	89	118	36	57	92
Exploration and evaluation assets	2,188	2,239	2,239	2,239	2,232	2,311	2,281	2,281
Total assets	3,944	2,856	2,836	2,484	2,415	2,586	2,542	2,595
Shareholders' equity	3,836	2,650	2,670	2,352	2,339	2,432	2,448	2,543

RESOURCE PROPERTIES

The Company owns three core gold properties in Quebec, Ontario and Manitoba. The three gold properties are Destiny Project in Quebec, Miner Lake in Ontario and Oxford Lake in Manitoba. The Company also has an interest in a number of other highly prospective gold properties on which exploration work was carried out by the Company in the past but not to the same level as on its core properties.

In December, 2013 the Company acquired three highly prospective packages of land in the Saskatchewan Craton including two projects near the new Pikoo diamond discovery in north central Saskatchewan. The Company terminated exploration of the diamond properties prior to June 30, 2017 in order to focus on its gold assets.

The technical information in this section was reviewed and approved by Mike Koziol P. Geo., Alto's President and Director. Mr. Koziol is a Qualified Person as per definitions in National Instrument 43-101. The Company's core properties are:

a) Destiny Property, Quebec

The Destiny 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 Quebec. The property is 100% owned by Alto subject to certain underlying production royalties. The key claims that comprise the project are in good standing to 2018 and their tenure can be extended with minimal maintenance costs.

The Destiny project is host to a Mineral Resource* calculated consistent with guidelines set out in National Instrument 43-101 and filed on Sedar in March, 2011. At the 0.5 g/t gold cut-off grade, the Indicated Mineral Resources of the DAC Deposit total approximately 10.8 million tonnes at an average grade of 1.05 g/t gold. In addition, at the same gold cut-off grade, the Inferred Mineral Resources total approximately 8.3 million tonnes at an average grade of 0.92 g/t gold. The estimated contained ounces in the Indicated category are 364,000 plus 247,000 ounces in the Inferred classification. The gold mineralization is open to depth and along strike. Mineral Resources are not Mineral Reserves and by definition do not demonstrate economic viability.

The DAC Deposit is one of several significant gold occurrences on the Destiny project. The Darla Zone lies one kilometre east and along the same trend as the DAC Deposit. In 2012 the Company completed 12 diamond drill holes in the Gap Zone, the area between the DAC Deposit and the Darla Zone. The objectives of these holes were to determine if there is potential to increase the estimated contained ounces on the Destiny property between the DAC Deposit and the Darla Zone.

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The drilling at the Gap Zone has achieved the objectives and confirmed the presence of higher grade gold values in wide envelopes of anomalous gold mineralization. Some of the higher grades include 78.7 g/t gold over 1.0 m within an 8 m interval averaging 11.3 g/t gold in hole DES12-147 and 22.7 g/t gold over 1.05 m in DES12-154. The other wider mineralized intercepts include two zones in hole DES12-144 which assayed 1.05 g/t gold over 10 m in one zone and the other assayed 1.04 g/t gold over 11.0 m.

The 2012 drilling results are very positive and indicate that the DAC Deposit, the Gap Zone and the Darla Zone could be linked for a total mineralization length of more than two kilometres along strike. An in-fill program of closer spaced holes will now be required to determine if the gold zones have potential to add significant tonnes and ounces to the DAC Deposit.

**NI43-101 Technical Report and Resource Estimation of the DAC Deposit, Destiny Property, Quebec, March, 2011 by Todd McCracken, P.Geo.*

b) Miner Lake, Ontario

Alto owns a 100% interest in the Miner Lake Property subject to underlying royalties on some of the claims. The key claims that comprise the Miner Lake Property are in good standing for 2017.

The Company completed nine holes totalling 1,732m of diamond drilling in 2011 to follow up targets generated from surface exploration programs completed in 2011 and 2010. Eight of the nine holes intersected significant gold anomalies with hole MIN11-06 intersecting 39.2 m at an average grade of 0.6 g/t gold including 4.24 g/t gold over 1.5 m. Results from surface saw-cut channel sampling at the Whaleback Trench returned significant gold averaging 1.78 g/t gold and 0.11 % copper across 19 m including one section of 3.36 g/t gold and 0.24% copper across 5.0 m and another section of 6.29 g/t gold and 0.08% copper across 2.0m. These higher grade sections are contained within a wide sulphide-rich envelope that is almost 50 m wide. Channel sampling of other hydrothermal breccia zones in 2010 returned very encouraging results which include 6.79 g/t gold across 1.0 m and 4.14 g/t gold across 1.4 m.

In June 2015, the Company completed a surface glacial till sampling program to test for gold dispersion trains down ice from the main gold occurrences. In June, July and September, 2016, the Company completed additional glacial till sampling. Results of these programs delineated several gold anomalies that require follow-up.

Results from the exploration work on Miner Lake are very positive and indicate a persistent and widespread distribution of gold in the numerous hydrothermal breccia zones. The main target on this property is a large gold (with copper) deposit that might be exploited by open pit mining. Additional drilling is required to follow-up the wide zones drilled during the 2011 as well as to test several of the high priority surface targets.

c) Oxford Lake Property, Manitoba

The Company owns a 100% interest in the Oxford Lake Property subject to underlying royalties on some of the claims. Currently the property comprises approximately 36,000 ha and is in good standing through 2017.

The Oxford Lake property hosts the Rusty Gold Deposit, with Historical Resource* of 800,000 tonnes averaging 6 g/t gold and containing approximately 154,000 ounces of gold hosted in iron formation, as well as several other gold occurrences. In 2012 the Company drilled hole RUS12-03 in the Blue Jay area approximately two kilometres on trend and east of the Rusty Deposit (Rusty-Blue Jay Trend). RUS12-03 intersected two zones of high-grade gold mineralization in iron formation: Zone One - 2.7 m averaging 6.7 g/t gold including 22.5 g/t gold over 0.5 m and Zone Two - 6.8 m averaging 5.7 g/t gold including 11.7 g/t gold over 1.6 m and 16.5 g/t gold over 1.0 m.

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The Blue Jay Zone is also associated with BIF and lies along a magnetic trend, the Rusty-Blue Jay trend, that was traced by Alto's 2011 VTEM and aeromagnetic surveys for 30 km along strike but only a few holes were drilled in the past along this trend. BIF deposits such as the Musselwhite Mine in Ontario (24.4 M tonnes averaging 6 g/t Au mined, 8.21 M tonnes averaging 6.39 g/t Au Proven and Probable, and 2.88 M tonnes averaging 4.98 g/t Au Measured and Indicated) tend to be large and relatively high grade (Ontario Mining and Exploration 2016-an official publication of the Ontario Prospectors Association).

An eight week summer exploration program consisting of rock sampling, geological mapping and prospecting was completed in August 2017. The objectives of the program were: 1) to verify grades at historical showings; 2) to follow up previously underexplored targets along a 30 km Rusty-Blue Jay trend that are associated with BIF units which host the historical Rusty Gold Deposit and the Blue Jay gold zone, and 3) to identify new targets. In total, 803 rock grab samples were collected on the entire Oxford Lake property and to date results have been reported from the Hyers Island area only. Results from the Rusty-Blue Jay trend and the Cat Eye Bay areas are pending.

The Hyers Island area is one of three separate locations worked on in 2017 and lies near the south end of this large property, approximately six kilometres southwest from the Rusty gold deposit. Results from verification rock grab samples returned up to 109 g/t Au within a 15cm wide quartz-sulphide-carbonate vein from the south shore of Hyers Island; the vein also includes 16.9 g/t Ag, 0.7% Cu and 24% Zn. Several other notable gold and gold-base metals samples were obtained from narrow quartz-sulphide veins and sulphide pods near the south shore of Hyers Island including 7.2 g/t Au and 83.7 g/t Ag; 2.1 g/t Au and 24.1 g/t Ag; 1.2 g/t Au and 14.5 g/t Ag; and 2.3 g/t Au (see Figure 1).

Significant gold values with accessory silver and zinc were obtained from bedrock grab samples mineralized with pyrite and sphalerite on north Hyers Island including 4.9 g/t Au with 51 g/t Ag and 12.7% Zn; 1.8 g/t Au and 15.9 g/t Ag; and 2.9 g/t Au. These sulphide zones are from a few cm to several metres in width but the extent of these zones, controls on mineralization and continuity have not yet been determined. Other high-grade gold and silver values were obtained from a narrow quartz-sulphide vein located west of Hyers Island. The vein assayed 12.4 g/t Au with 48 g/t Ag.

Additional work is required in the Hyers Island area to better understand the controls on mineralization before drilling is carried out.

Regionally, the Oxford Lake property lies in north eastern Manitoba along a major regional structural corridor that hosts the pre-development Monument Bay Gold Deposit approximately 150 km east of Oxford Lake. The Monument Bay Gold Deposit hosts Indicated Resources of 36.6 million tonnes at an average grade of 1.52 g/t Au containing 1.78 million ounces of gold and Inferred Resources of 41.9 million tonnes averaging 1.32 g/t Au containing 1.78 million ounces(see Yamana Gold website).

**The Historical Resource was estimated in 1990 and a Qualified Person (QP), as defined by NI43-101, has not done sufficient work to classify this historical estimate as current mineral resources. Alto is not treating the historical estimate as current mineral resources, as defined by NI43-101, and thus the historical estimate should not be relied upon.*

d) Northern Saskatchewan Diamond Properties, Saskatchewan

In December, 2013 the Company acquired 100% interest in 68,400 ha of property in Saskatchewan through staking of open ground located approximately 40 km west of the Pikoo property, where diamonds were discovered by North Arrow Minerals Inc. in 2013. In January and March, 2014 the Company completed more staking adding a further 4,400 hectares of land. In March, 2017 the Company allowed all of the staked claims to expire for lack of funding required to keep them in good standing.

In January, 2014 the Company entered into an Option to Purchase Agreement for six claims (Fisher Property) totalling 3,500 ha. Terms for the acquisition of 100% interest in the six claims include total cash payments of \$18,000 staged over two years and the issuance of 25,000 shares of Alto to the Vendor. In

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February 2015, the Company amended the Fisher Option to Purchase Agreement to include two additional claims (1167 ha) for a one-time cash payment of \$2,000 to Fisher (paid). In January, 2016 the Company fulfilled the terms for acquisition and now owns 100% interest in the eight claim Fisher Property subject to a 2% Net Smelter Returns Royalty ("NSR") payable to the Vendor. Alto retains the right to buy back 1% of the NSR for \$1 million.

In January, 2014 the Company also entered into an Option Agreement to acquire a 60% interest in four mining claims (GEFA Property) covering approximately 13,150 ha for diamond exploration adjoining the Pikoo Property to the east. Under the terms of the Option Agreement, Alto can earn 60% interest in the four claims by making staged cash payments totaling \$60,000 to the vendors over two years and completing \$750,000 in exploration expenditures on the property over a 30 month period. The Property is subject to an underlying 2% Net Smelter Returns Royalty on all minerals and metals but not diamonds, with a buy-out of 1% of the NSR for \$1 million. The terms of the Option Agreement were revised in January, 2016. Under the revised terms, Alto must make a cash payment of \$35,000 and complete an aggregate of \$750,000 in exploration work on the property by July 20, 2017. To date, the Company has completed approximately \$500,000 in exploration work on the GEFA claims. In compensation for the extension, the Company issued 1,000,000 common shares to the vendors.

The acquisition of the three properties increased Alto's total land holdings to approximately 90,000 ha of potentially favourable geology for diamonds.

During the months of August and September, 2014 the Company completed bulk-till overburden sampling programs to help define kimberlite indicator (KIM) trains that may ultimately lead to the discovery of diamonds on the Fisher and GEFA properties. A total of 325 samples were collected on these two properties and were delivered to a laboratory for processing.

Kimberlite Indicator Minerals (KIMs) were recovered from both the GEFA and Fisher properties. Most significant KIMs were recovered from the east half of the GEFA Property located adjacent to the Pikoo diamond discovery. The KIMs include Cr-rich chromites, Mg-ilmenites, Cr-pyrope garnets and one diamond associated eclogite garnet (Diamond Indicator Mineral "DIM"). Recovery of such an eclogite garnet in a till is consistent with an indicator dispersion train sampling a potentially diamondiferous source.

The Company completed high-resolution airborne magnetometer survey in February, 2015 over the GEFA area claims consisting of a total of approximately 4,218 line kilometres of flying. Initially, the survey was flown using 50m line spacing but preliminary interpretations of the 50m spaced flight lines data indicated positive results and additional surveying was completed using 25m line spacing over four selected target areas. Preliminary interpretations have identified 16 magnetic targets in the GEFA area that could be related to kimberlite. The targets are clustered in two main parts of the GEFA Property, one on the east side and the other in the northwest half. These targets are associated with down-ice trends of kimberlite indicator mineral (KIM) dispersion trains, including the dispersion train in the eastern half of the claims that features diamond indicator minerals (DIMs) eclogite and chromite.

In February, 2017 the Company has completed a Reverse Circulation (RC) drilling program on the GEFA claims to test four high priority diamond targets identified from Alto's 2015 high resolution aeromagnetic survey that are interpreted to be consistent with kimberlite intrusions. Some of the aeromagnetic targets are up-ice from Kimberlite Indicator Mineral (KIM) dispersion trains delineated during the 2014 glacial till sampling program. Three of the four aeromagnetic targets are related to locally increased magnetite concentrations in metasedimentary gneiss. The fourth target is related to an ultramafic intrusive body surrounded by quartz-feldspar-biotite gneiss. The program did not locate any kimberlites and the source rocks to the KIM dispersion train remain unknown.

There are numerous other high priority aeromagnetic targets on the GEFA property that are worthy of follow-up. Further work will require detailed glacial till sampling for KIMs to prioritize the aeromagnetic targets prior to drilling. In June, 2017 the GEFA Option was terminated and the property written off.

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e) Other Properties

The Company also has interests in the following properties:

Property Name	Status	Comments
Windfall East (formerly Alcudia), Quebec	Sold during fiscal year ended June 30, 2017 (see "Highlights for the Period")	The Windfall East project was sold to Beaufield in May, 2017. The Company retains a 1% NSR royalty, of which Beaufield retains the right to buy 0.5% NSR for \$1 million.
Coldstream, Ontario	Sold during fiscal year ended June 30, 2016	The project was sold in 2016 and Alto retained NSR royalties ranging from 0.5 to 1.5% on certain claims.
Empress, Ontario	100% Alto subject to production royalties	An Option Agreement to option 100% interest in the Empress property to Sanatana was finalized in June 2017. The terms include issuance of 3,000,000 shares of Sanatana to Alto within 12 month period (1,000,000 shares received prior to June 30, 2017), cash payments totalling \$125,000 within 12 months (\$50,000 received prior to June 30, 2017) and completion of \$150,000 in expenditures within 24 months of the effective date. Upon exercise of the Option, Alto will retain a 1% NSR royalty on existing claims and 0.33% NSR on claims which lie within a predetermined area of interest acquired during the option period. Sanatana also reimbursed \$20,000 for exploration expenditures incurred by Alto prior to finalizing the agreement.
Greenoaks, Ontario	100% Alto subject to underlying production royalties	Located in the Beardmore-Geraldton greenstone belt immediately southeast of the Company's Miner Lake property; several significant gold occurrences were discovered on the property; a small historical mine operated on the property. A glacial till sampling program was completed in July, 2015.
Mud Lake, Ontario	100% Alto subject to production royalties on some of the claims	Located in the Beardmore-Geraldton gold belt northeast of the Brookbank gold deposit that is being evaluated by Premier Gold; several significant gold occurrences occur on the Mud Lake property.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2017, the Company had \$951,043 in cash, of which approximately \$82,080 is restricted to flow-through purposes. The Company does not have any cash flow from operations as its projects are at an exploration stage, therefore financings have been the primary source of funds.

At June 30, 2017, the Company had working capital of \$1,648,364, which amount includes marketable securities valued, in the aggregate, at \$734,813. In the opinion of management, the working capital at

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June 30, 2017 is sufficient to support the Company's general administrative and corporate operating requirements for the next three months. Management plans to continue to seek the necessary financing through a combination issuance of new equity instruments, entering into joint venture arrangements or debt financing; however, there is no assurance that the Company will be successful in these actions. Should the Company wish to continue fieldwork on its exploration projects, further financing will be required and the Company will likely have to go to the market to achieve this.

Given the volatility in equity markets, global uncertainty in economic conditions, cost pressures and results of exploration activities, management regularly reviews expenditures and exploration programs and equity markets in order that the Company has sufficient liquidity to support its growth strategy.

LIQUIDITY OUTLOOK

The outlook is based on the Company's current financial position and is subject to change if opportunities become available based on current exploration program results and/or external opportunities. At present, the Company's operations do not generate cash inflows and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Company's cash position is highly dependent on the ability to raise cash through financings and the expenditures on its exploration programs. Management believes that the Company will need external financings for the upcoming year in order to fund further exploration. As results of exploration programs are determined and other opportunities become available to the Company, management may complete an external financing. In order to finance the Company's future exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and from optioning its resource properties. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term, but recognizes that there will be risks involved which may be beyond its control.

TRANSACTIONS WITH RELATED PARTIES

Services, expenses, loan, and compensation of key management personnel:

Key management personnel currently consist of Directors and Officers of the Company, as to the President, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the Corporate Secretary of the Company. At the Report Date, key management personnel consisted of Richard Mazur (CEO and a Director), Marian (Mike) Koziol (President and a Director), Jeannine Webb (CFO), Jacqueline Collins (Corporate Secretary), and David Cowan and Gary Zak (Directors). During the years ended June 30, 2017 and 2016, the Company incurred the following fees in respect of services provided by key management personnel and related parties:

	Years ended June 30,	
	2017	2016
	(\$)	(\$)
J Collins Consulting - Corporate Secretary services	1,450	13,735
Mike Koziol - services (Officer and company with Director in common) ⁽¹⁾	58,500	76,000
Venturex Consulting - CFO services ⁽²⁾	22,125	17,638
McMillan LLP – legal fees (Legal firm with a partner and Company Director in Common) ⁽³⁾	17,425	9,174
Gary Zak - consulting services (Director and Former Officer in Common) ⁽⁴⁾	15,000	-
Total	114,500	116,547

⁽¹⁾ During the year ended June 30, 2017, Mr. Koziol charged the Company \$156,000 for services, which amount was reduced to \$58,500 (year ended June 30, 2017: charge of \$121,000 was reduced to \$76,000); \$Nil was owed as at June 30, 2017 (June 30, 2016: \$29,000);

⁽²⁾ \$4,069 owed as at June 30, 2017 (June 30, 2016: \$656)

⁽³⁾ \$21,664 owed as at June 30, 2017 (June 30, 2016: \$3,265)

⁽⁴⁾ \$15,750 owed as at June 30, 2017 (June 30, 2016: \$Nil)

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In respect of expenses incurred on behalf of the Company, \$8,522 was owed to a director at June 30, 2017 (June 30, 2016: \$1,335), and pursuant to an agreement with an officer, a severance payment of \$156,000 will be due to him in the event of termination without cause.

During the years ended June 30, 2017 and 2016, the Company incurred fees from key management personnel as follows:

	Years ended June 30,	
	2017	2016
	(\$)	(\$)
Management fees, directors and audit committee fees	114,500	116,547
Share-based compensation	68,256	4,550
	182,756	121,097

SHARE CAPITAL INFORMATION

The table below presents the Company's common share data as the Report Date.

Common shares - issued and outstanding			49,137,081
	Exercise price (\$)	Expiry Date	Shares issuable (#)
Warrants			
	0.10	June 30, 2018	5,000,000
	0.05	December 30, 2017	651,000
	0.10	July 31, 2018	3,144,200
	0.05	January 31, 2018	42,000
	0.12	August 20, 2018	2,385,000
	0.08	July 31, 2018	166,250
	0.12	April 19, 2020	1,775,000
	0.12	April 19, 2020	224,000
			13,387,450
Stock options			
	0.10	October 30, 2017	295,000
	0.06	June 19, 2019	1,000,000
	0.05	December 10, 2020	350,000
	0.10	March 27, 2022	1,000,000
			2,645,000
			65,169,531

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

SUBSEQUENT EVENTS

- On July 31, 2017, the Company closed a non-brokered private placement for gross proceeds of \$200,000, pursuant to which it issued 2,500,000 flow-through common shares at a price of \$0.08 per flow-through share. In addition, the Company paid cash commissions of \$13,300 and issued finders' warrants allowing for the purchase of up to, in the aggregate, 166,250 shares at \$0.08 per non-flow-through share until July 31, 2018.
- On October 19, 2017, the Company closed the first tranche of the non-brokered private placement announced October 2, 2017, for gross proceeds of \$248,500, pursuant to which it issued 3,550,000 common shares and share purchase warrants allowing for the purchase of up to, in the aggregate, 1,775,000 common shares of the Company at a price of \$0.12 per share until April 19, 2020. In addition, the Company issued finders' warrants allowing for the purchase of up to, in the aggregate, 224,000 shares at \$0.12 per share until April 19, 2020 and paid \$15,680 in cash commissions.
- On September 19, 2017, options allowing for the acquisition of up to, in the aggregate, 745,000 shares in the capital of the Company at \$0.10 per share expired.

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RECENT ACCOUNTING PRONOUNCEMENTS

Adoption of new IFRS pronouncements:

The adoption of the following IFRS standards and amendments to existing standards effective July 1, 2016 did not have an effect on the Company's financial statements:

- a) IFRS 10, "Consolidated Financial Statements" (amended standard) was effective for annual periods beginning on or after January 1, 2016.
- b) IFRS 11, "Joint Arrangements" (amended standard) in respect of joint arrangements is effective for annual periods beginning on or after January 1, 2016.
- c) IAS 34, "Interim Financial Reporting" (amended standard) is effective for annual periods beginning on or after January 1, 2016.

New accounting standards not yet adopted

- a) IAS 7, "Statement of Cash Flows" is effective for annual periods beginning on or after January 1, 2017.
- b) IAS 12, "Income Taxes" is effective for annual periods beginning on or after January 1, 2017.
- c) IFRS 12, "Disclosure of Interest in Other Entities" is effective for annual periods beginning on or after January 1, 2017.
- d) IFRS 2, "Share-based Payments" is effective for annual periods beginning on or after January 1, 2018.
- e) IFRS 7, "Financial Instruments: Disclosure" is effective (proposed) for annual periods beginning on or after January 1, 2018.
- f) IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018.
- g) IFRS 15, "Revenue from Contracts with Customer" is effective for annual periods beginning on or after January 1, 2018.
- h) IFRS 16, "Leases" is effective for annual periods beginning on or after January 1, 2019.
- i) IAS 16, "Property, Plant and Equipment" (amended standard) is effective for annual periods beginning on or after January 1, 2019.

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.

FINANCIAL AND OTHER INSTRUMENTS

Financial Instruments – Recognition and Measurement

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest

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method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations.

Other financial liabilities: This category includes amounts due to related parties and accounts payables and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables. The Company's marketable securities are classified as available for sale. The Company's accounts payable and accrued liabilities, loan payable, and due to related parties are classified as other financial liabilities.

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of the Company's cash and marketable securities constitutes a level 1 fair value measurement. The fair value of the Company's receivables, due to related parties, loans payable and accounts payable and accrued liabilities approximate the carrying value due to their short-term nature.

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.

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Interest rate risk

The Company has no material exposure at June 30, 2017 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 three month period. Sensitivity to a plus or minus 1% change in cash interest rates would affect net loss by \$9,510 annually. The Company does not hold any balances in foreign currencies to give rise to exposure to foreign exchange risk.

Currency risk

As at June 30, 2017, 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 and sales taxes due from the Federal Government of Canada and the Government of Québec.

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 June 30, 2017, the Company had a cash balance of \$951,043 (June 30, 2016: \$117,550) to settle current liabilities of \$107,992 (June 30, 2016: \$76,096). Management plans to continue to seek the necessary financing through a combination issuance of new equity instruments, entering into joint venture arrangements or debt financing; however, there is no assurance that the Company will be successful in these actions.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- a) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on the planned exploration budgets and drill results of exploration programs.
- b) The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes option pricing model.
- c) The valuations of shares issued in non-cash transactions using the quoted share price as the fair value based measurement on the date the shares are issued for the transaction.
- d) The recognition of deferred tax assets based on the change in unrecognized deductible temporary tax differences.

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RISKS AND UNCERTAINTIES

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities or joint ventures, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Resource acquisition, exploration, development, and operation is a highly speculative business that involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish economically viable mineral deposits, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the acquisition, exploration or development programs planned by the Company will result in a profitable commercial mining operation. The potential for any project to eventually become an economically viable operation depends on numerous factors including: the quantity and quality of the minerals discovered if any, the proximity to infrastructure, metal and mineral prices (which vary considerably over time) and government regulations. The exact effect these factors can have on any given exploration property cannot accurately be predicted but the effect can be materially adverse.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The market price of precious metals and other minerals is volatile and cannot be controlled.

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to

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operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

As at the date of the Report, there were no legal proceedings by or against the Company.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

The Company's directors and officers serve as directors or officers, or may be associated with other reporting companies or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction.

DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's general and administrative expenses and mineral property costs is provided in the Company's audited statement of operations contained in its Financial Statements for the Period. These statements are available on the Company's website at www.altoventures.com or on its SEDAR Page Site accessed through www.sedar.com.

DIVIDENDS

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the Board of Directors of the Company and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the Board of Directors of Alto deem relevant.

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NATURE OF THE SECURITIES

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

PROPOSED TRANSACTIONS

There are no proposed transactions that are required to be disclosed.

APPROVAL

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the Financial Statements for the Period and the disclosure contained in the Report. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information is available on the Company's website at www.altoventures.com or on SEDAR at www.sedar.com.