Alto Group Holdings Inc.
Form 10-Q
July 20, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 2010

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to ______

Commission File Number 000-53592

ALTO GROUP HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada	27-0686507
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10757 South River Front Parkway, Suite 125, South Jordan, UT 84095
(Address of principal executive offices) (Zip Code)

(801) 816-2520
(Registrant's telephone number, including area code)

(Former Address if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company) Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

As of May 31, 2010 there were 75,013,332 shares of our common stock issued and outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

The Financial Statements of the Company are prepared as of May 31, 2010.

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
BALANCE SHEETS

ASSETS

	May 31, 2010 (Unaudited)	November 30, 2009
CURRENT ASSETS		
Cash and cash equivalents	$ 409	$ 575
Total Current Assets	409	575
OTHER ASSETS		
Mining assets	45,500	-
Mineral property acquistion costs, less reserve for impairment of $6,500	-	-
Total Other Assets	45,500	-
TOTAL ASSETS	$ 45,909	$ 575
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 86,211	$ 8,886
Due to related parties	84,539	28,539
Notes payable	5,500	-
Total Current Liabilities	176,250	37,425
TOTAL LIABILITIES	176,250	37,425
STOCKHOLDERS' DEFICIT		
Preferred stock, $0.00001 par value; 100,000,000 shares authorized, 14,000,000 and none issued, and outstanding, respectively	140	-
Common stock, $0.00001 par value; 100,000,000 shares authorized, 75,013,332 and 79,680,000 shares issued and outstanding, respectively	750	797
Additional paid-in capital	2,736,616	91,209
Deficit accumulated during the exploration stage	(2,867,847)	(128,856)

Total Stockholders' Deficit		(130,341)		(36,850)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	45,909	$	575

The accompanying notes are an integral part of these financial statements.

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended May 31, 2010	For the Three Months Ended May 31, 2009	For the Six Months Ended May 31, 2010	For the Six Months Ended May 31, 2009	From Inception on September 21, 2007 Through May 31, 2010
NET REVENUES	$ -	$ -	$ -	$ -	$ -
OPERATING EXPENSES					
Exploration and carrying costs	-	-	-	-	2,625
Consulting services	336,000	-	2,548,000	-	2,548,000
Professional fees	177,283	-	183,080	-	183,080
General and administrative	7,839	4,376	7,839	14,947	109,170
Donated services	-	2,400	-	4,800	18,400
Impairment of mineral property acquisition costs	-	-	-	-	6,500
Total Operating Expenses	521,122	6,776	2,738,919	19,747	2,867,775
LOSS FROM OPERATIONS	(521,122)	(6,776)	(2,738,919)	(19,747)	(2,867,775)
OTHER INCOME (EXPENSES)					
Interest expense	(72)	-	(72)	-	(72)
Total Other Income (Expenses)	(72)	-	(72)	-	(72)
LOSS BEFORE INCOME TAXES	(521,194)	(6,776)	(2,738,991)	(19,747)	(2,867,847)
	-	-	-	-	-

INCOME TAX EXPENSE					
NET LOSS	$ (521,194)	$ (6,776)	$ (2,738,991)	$ (19,747)	$ (2,867,847)
BASIC AND FULLY DILUTED:					
Net loss per common share	$ (0.01)	$ (0.00)	$ (0.04)	$ (0.00)	
Weighted average shares outstanding	63,680,000	79,680,000	72,251,428	79,680,000	

The accompanying notes are an integral part of these financial statements.

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
STATEMENTS OF STOCKHOLDERS' DEFICIT
For the period from Inception (September 21, 2007) to May 31, 2010

	Preferred Stock		Common Stock		Additional		Deficit Accumulated During the	
	Shares	Amount	Shares	Amount	Paid-in Capital	Subscriptions Receivable	Exploration Stage	Total
Balance at Inception on September 21, 2007	-	$ -	-	$ -	$ -	$ -	$ -	$ -
Common shares sold for cash at $0.000125 per share	-	-	48,000,000	480	5,520	-	-	6,000
Common shares sold for cash at $0.00125 per share	-	-	31,680,000	317	39,283	(4,500)	-	35,100
Donated services and expenses	-	-	-	-	2,400	-	-	2,400
Net loss for the year ended November 30, 2007	-	-	-	-	-	-	(5,772)	(5,772)
Balance, November 30, 2007	-	-	79,680,000	797	47,203	(4,500)	(5,772)	37,728
Common stock subscriptions collected	-	-	-	-	-	4,500	-	4,500
Donated services and expenses	-	-	-	-	9,600	-	-	9,600

Net loss for the year ended November 30, 2008	-	-	-	-	-	-	(64,689)	(64,689)
Balance, November 30, 2008	-	-	79,680,000	797	56,803	-	(70,461)	(12,861)
Donated services and expenses	-	-	-	-	6,400	-	-	6,400
Forgiveness of due to related party by then majority stockholder on September 15, 2009	-	-	-	-	28,006	-	-	28,006
Net loss for the year ended November 30, 2009	-	-	-	-	-	-	(58,395)	(58,395)
Balance, November 30, 2009	-	-	79,680,000	797	91,209	-	(128,856)	(36,850)
Conversion of common stock to preferred stock A (unaudited)	14,000,000	140	(48,000,000)	(480)	340	-	-	-
Common stock issued for acquisition of mining assets (unaudited)	-	-	10,000,000	100	45,400	-	-	45,500
Common stock issued for services (unaudited)	-	-	33,333,332	333	2,599,667	-	-	2,600,000
Net loss for the six months ended								

May 31, 2010 (unaudited)	-	-	-	-	-	-	(2,738,991)	(2,738,991)
Balance, May 31, 2010 (unaudited)	14,000,000	$ 140	75,013,332	$ 750	$ 2,736,616	$ -	$ (2,867,847)	$ (130,341)

The accompanying notes are an integral part of these finanical statements.

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended May 31, 2010	For the Six Months Ended May 31, 2009	From Inception on September 21, 2007 Through May 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (2,738,991)	$ (19,747)	$ (2,867,847)
Adjustments to reconcile net loss to net cash used by operating activities:			
Stock issued for services	2,600,000	-	2,600,000
Donated services and expenses	-	4,800	18,400
Impairment of mineral property acquisition costs	-	-	6,500
Changes in operating assets and liabilities:			
Accounts payable and accrued liabilities	77,325	4,442	86,211
Accrued consulting fees and expenses due to related parties	56,000	-	84,539
Net Cash Used by Operating Activities	(5,666)	(10,505)	(72,197)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Mineral property acquisition costs	-	-	(6,500)
Net Cash Used by Investing Activities	-	-	(6,500)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due to related party	-	10,043	28,006
Proceeds from notes payable	5,500		5,500
Proceeds from sale of common stock	-	-	45,600
Net Cash Provided by Financing Activities	5,500	10,043	79,106
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(166)	(462)	409

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		575		1,110		-
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	409	$	648	$	409
SUPPLEMENTAL CASH FLOW INFORMATION:						
Cash Payments For:						
Interest	$	-	$	-	$	-
Income taxes	$	-	$	-	$	-
Non-cash financing activity:						
Forgiveness of due to related party by then majority stockholder on September 15, 2009	$	-	$	-	$	28,006
Stock issued for services	$	2,600,000	$	-	$	2,600,000
Stock issued for acquistion of mining assets	$	45,500	$	-	$	45,500

The accompanying notes are an integral part of these financial statements

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
NOTES TO FINANCIAL STATEMENTS
May 31, 2010
(Unaudited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Alto Group Holdings Inc. (the “Company”) was incorporated in the State of Nevada on September 21, 2007. The Company is an Exploration Stage Company, as defined by Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 915, Development Stage Entities. The Company’s principal business is the acquisition and exploration of mineral resources. The Company has not presently determined whether its properties contain mineral reserves that are economically recoverable.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has never generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As at May 31, 2010, the Company has accumulated losses of $2,867,847 since inception. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 - BASIS OF FINANCIAL STATEMENT PRESENTATION

The accompanying unaudited financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim financial statements includes normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim financial statements be read in conjunction with the Company’s audited financial statements and notes thereto included in its Form 10-K filed on March 15, 2010. Operating results for the six months ended May 31, 2010 are not necessarily indicative of the results to be expected for the year ending November 30, 2010.

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
NOTES TO FINANCIAL STATEMENTS
May 31, 2010
(Unaudited)

NOTE 3 - RELATED PARTY BALANCES / TRANSACTIONS

Due to related parties consist of:

	May 31, 2010	November 30, 2009
Accrued consulting fees and expenses due to former (from July 31, 2009 to February 3, 2010) director	$20,539	$20,539
Accrued consulting fees and expenses due to former (from October 9, 2009 to January 28, 2010) director	8,000	8,000
Accrued consulting fees and expenses due to current directors	56,000	-
Total	$84,539	$28,539

The above debt is unsecured, non-interest bearing, and has no specific terms of repayment.

On September 15, 2009, the former (from inception to February 10, 2010) majority stockholder forgave the then $28,006 balance due him. This forgiveness has been recorded as a capital contribution in the accompanying statements of stockholders' equity (deficit).

During the six months ended May 31, 2009, the Company recognized a total of $4,800 for donated management services at $800 per month provided by the former (from inception to February 10, 2010) majority stockholder and former (from inception to July 31, 2009) sole director of the Company.

During the six months ended May 31, 2010, the Company accrued $48,000 in consulting fees due to the three directors of the Company pursuant to consulting agreements (Note 6).

NOTE 4 - COMMON STOCK

Effective December 23, 2009, the Company effected an 8:1 forward stock split of the issued and outstanding common stock. As a result, the issued and outstanding common stock increased from 9,960,000 shares of common stock to 79,680,000 shares of common stock. All share and per share amounts have been retroactively adjusted for all periods presented.

On September 21, 2007, the Company issued 48,000,000 shares of common stock at $0.000125 per share to the then sole Director of the Company for cash proceeds of $6,000.

During the period ended November 30, 2007, the Company accepted stock subscriptions for 31,680,000 shares of common stock at $0.00125 per share or $39,600 total. $35,100 was collected by November 30, 2007 and $4,500 was collected in December 2007.

On February 22, 2010 the Company entered into consulting agreements with five individuals (the "S-8 Consultants") which provide for the S-8 Consultants to provide certain consulting services to the Company through March 31, 2010 and issued each of the S-8 Consultants, 4,000,000 shares of Company common stock (20,000,000 shares total). The $2,200,000

ALTO GROUP HOLDINGS INC.
(an exploration stage company)
NOTES TO FINANCIAL STATEMENTS
May 31, 2010
(Unaudited)

NOTE 4 - COMMON STOCK (continued)

estimated fair value of the 20,000,000 shares was charged to operations in the three months ended February 28, 2010.

On March 3, 2010, the Company approved the designation of 20,000,000 shares of Preferred Stock as Series A Preferred Stock and the conversion of 48,000,000 shares of Company common stock owned by Opiuchus Holdings, Inc., a company controlled by Mark Daniel Klok (chief executive officer of the Company since November 9, 2009), into 14,000,000 shares of Series A
Preferred Stock. Each share of Series A Preferred Stock is convertible into 4 shares of common stock and has voting rights, dividend rights, and liquidation rights on an "as converted basis".

On March 12, 2010, the Company executed an Asset Purchase Agreement with Mexican Hunter Explorations S.A. de C.V., a corporation organized under the laws of Mexico ("MHE"), to acquire two gold and silver mining concessions known as "Los Tres Machos" and "Zuna" in Jalisco, in the state of Guadalahara, Mexico in exchange for 10,000,000 newly issued restricted shares of Company common stock. MHE is owned and controlled by Mark Daniel Klok and Robert Howie, each of whom are executive officers and directors of the Company. Accordingly, the mining assets and related addition to stockholders' equity has been reflected at the transferor's historical cost of the mining assets.

On May 19, 2010, the Company issued 13,333,332 shares of common stock to four officers and directors for certain consulting services rendered to the Company. The $400,000 estimated fair value of the 13,333,332 shares was charged to operations in the three months ended May 31, 2010.

NOTE 5 - INCOME TAXES

A reconciliation of the expected income tax recovery computed by applying the statutory United States federal income tax rate of 34% to income (loss) before taxes follows:

	For the six months ended May 31, 2010	For the six months ended May 31, 2009	September 21, 2007 (Date of Inception) to May 31, 2010
Income tax recovery at statutory rate	$ 931,257	$ 6,714	$ 975,068
Non- deductible stock-based compensation	(884,000)	-	(884,000)

Non-deductible donated services	-	(1,632)	(6,256)
Valuation allowance change	(47,257)	(5,082)	(84,812)
Provision for income taxes	$ –	$ –	$ –

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
NOTES TO FINANCIAL STATEMENTS
May 31, 2010
(Unaudited)

NOTE 5 - INCOME TAXES (continued)

The components of the net deferred tax asset consist of:

	May 31, 2010	November 30, 2009
Net operating loss carry-forward	$ 84,812	$ 37,555
Valuation allowance	(84,812)	(37,555)
Net deferred income tax asset	$ –	$ –

Potential benefits of income taxes are not recognized in the accounts until realization is more likely than not. At May 31, 2010, the Company has a net operating loss carry-forward of $249,447 which expires $3,372 in 2027, $55,089 in 2028, $51,995 in 2029 and $138,991 in 2030. Pursuant to ASC 740, the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

Current United States income tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited.

NOTE 6 - COMMITMENTS AND CONTINGENCIES

On February 1, 2010, the Company entered into agreements with three directors of the Company for consulting services to the Company at $4,000 per month each for a period of one year ($144,000 total).

On February 1, 2010, the Company entered into consulting agreements with two individuals for consulting services to the Castle Peak joint venture which provided for payments totaling $156,000 over the one year term of the agreements. As the Castle Peak joint venture did not materialize, the agreements are void and the Company is no longer liable to pay for the consulting services.

On March 15, 2010, we received notice that our joint venture agreement with Castle Peak Mining Ltd. ("Castle Peak") had been terminated. The agreement with Castle Peak concerned certain mining concessions in Ghana, West Africa and contained various obligations of the Company to provide phased financing for exploration and development of these concessions. The joint venture agreement also provided for the issuance of 322,000 restricted shares of common stock. As of May 31, 2010, these shares had not been issued. Further, the joint venture agreement was to be approved by the Ghana Government Minerals Commission, which had not yet occurred.

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ALTO GROUP HOLDINGS INC.
(an exploration stage company)
NOTES TO FINANCIAL STATEMENTS
May 31, 2010
(Unaudited)

NOTE 7 - SUBSEQUENT EVENTS

On June 7, 2010, the Company issued a promissory note to an investor in the aggregate principal amount of $22,000 ("Note"). The Note matures 180 days from the date of issuance and bears interest at the rate of 12% per annum. The proceeds of the Note were used for general corporate purposes.

The Company has evaluated subsequent events through the filing date of this Form 10-Q and has determined that there were no additional subsequent events to recognize or disclose in these financial statements.

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Item 2. Management's Discussion and Analysis of Financial Condition and Plan of Operation.

Forward-Looking Statements

This report contains forward-looking statements that involve risks and uncertainties. We use words such as anticipate, believe, plan, expect, future, intend and similar expressions to identify such forward-looking statements. You should not place too much reliance on these forward-looking statements. Our actual results are likely to differ materially from those anticipated in these forward-looking statements for many reasons, including the risks faced by us described in the Risk Factors section included in this Annual Report on Form 10-K.

Plan of Operation

We were incorporated in the State of Nevada on September 21, 2007. We are an exploration stage corporation. An exploration stage corporation is one engaged in the search of mineral deposits or reserves which are not in either the development or production stage. We maintain our statutory registered agent's office at National Registered Agents, Inc. of NV, 1000 East William Street, Suite 204, Carson City, Nevada 89701 and our business office and mailing address is 10757 South River Front Parkway, Suite 125, South Jordan, Utah 84095. Our telephone number is (801) 816-2520.

We hold rights to certain mineral interests in Mexico and seek to acquire additional interests in mineral holdings in Mexico as well as the United States, South America, and Africa. If we are able to successfully develop the interests we own and acquire, we may engage in (or contract with third parties for the) extraction and production of the minerals involved, may sell these interests, or pursue a combination of the foregoing.

On March 12, 2010, we acquired two gold and silver mining concessions in Mexico. “Los Tres Machos” (the three mules) and “Zuna” are both located in Jalisco in the state of Guadalajara, Mexico. The Los Tres Machos concession relates to mining claims dating back over 100 years and covers 1,000 hectares of staked and sampled mineral lands owned by the Republic of Mexico. This concession also allows for open pit excavation. The Zuna concession covers 750 hectares of staked and sampled mineral lands. With respect to each of these newly-acquired concessions, a geological summary was prepared in 2007 describing their characteristics, physiography, and initial sampling results from each site. We intend to conduct exploration activities with the objective of obtaining separate NI 43101 or equivalent valuation reports estimating the value of gold and silver deposits held therein.

Although we believe that the mineral concessions described above may contain valuable deposits that would inure to the benefit of the Company and its shareholders, we cannot assure you that commercially viable deposits exist on any of these properties until further exploration and development has been undertaken and a thorough economic feasibility analysis has been prepared. We are actively seeking to raise working capital sufficient to begin exploration and development of these concessions, as well as for other development opportunities.

We have not generated any revenues since the inception of the Company and we have been issued a “going concern” opinion from our auditors. We have no plans to change our business activities.

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Liquidity and Capital Resources

As of May 31, 2010, the Company's primary source of liquidity consisted of $409 in cash held in local checking accounts with local financial institutions. Since inception, the Company has financed its operations through a combination of short and long-term loans, and through the private placement of its common stock. While we continued to consume working capital in the pursuit of our business plan, the consumption was more than offset by the sale of equity securities and the conversion of certain indebtedness into equity.

We do not believe that the Company's current capital resources will be sufficient to fund its operating activity and other capital resource demands during the next fiscal year. Our ability to continue as a going concern is contingent upon our ability to obtain capital through the sale of equity or issuance of debt, joint venture or sale of assets, and ultimately attaining profitable operations. We cannot provide that we will be able to successfully complete any one of these activities.

The independent registered public accounting firm's report on our financial statements as of November 30, 2009, and for each of the years in the two-year period then ended, includes a "going concern" explanatory paragraph, that describes substantial doubt about the Company's ability to continue as a going concern.

We are presently seeking additional debt and equity financing to provide sufficient funds for payment of obligations incurred and to fund our ongoing business plan.

Although we are actively seeking to acquire and develop mineral interests throughout the world, we have not yet generated any revenue from our operations. We have historically relied on equity and debt financings to fund our capital resource requirements. We have experienced net losses since inception. We will be dependent on additional debt and equity financing to develop our new business.

All of our investment in research and development activities has been expensed, and does not appear as an asset on our balance sheet.

Our ability to pay accounts payable and accrued expenses and repay borrowings is dependent upon receipt of new funding from related parties, private placements or debt financing. Certain related parties have periodically advanced funds to us to meet our working capital needs. The related parties are under no obligation to continue these advances.

Net cash used in operating activities was $5,666 during the six months ended May 31, 2010, compared to $10,505 during the six months ended May 31, 2009. During the six months ended May 31, 2010, we incurred a net loss of $2,738,991. Most of the loss was the result of non-cash transactions. During the six months ended May 31, 2010, the company issued 33,333,332 shares of Company common stock for consulting services with nine individuals. The Company recorded consulting expenses of $2,600,000 based on the market value of the stock at the time of stock issuance. In addition, accounts payable and accrued expenses increased by $77,325 during the six months ended May 31, 2010. By comparison, during the six months ended May 31, 2009, we incurred a net loss of $19,747 and reported an increase in accounts payable and accrued expenses of $4,442. Historically, we have reported significant fluctuations in cash usage, as the timing of our cash payments is typically dependent upon cash provided by financing activities.

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During the six months ended May 31, 2010 and 2009, the Company did not receive or use funds in its investing activities.

Net cash provided by financing activities during the six months ended May 31, 2010, was $5,500, compared to $10,043 during the six months ended May 31, 2009.

Events Subsequent to Quarter End

On June 7, 2010, the Company issued a promissory note to an investor in the aggregate principal amount of $22,000 (“Note”). The Note matures 180 days from the date of issuance and bears interest at the rate of 12% per annum. The proceeds of the Note were used for general corporate purposes.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies

We believe the following more critical accounting policies are used in the preparation of our financial statements:

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. On a periodic basis, management reviews those estimates, including those related to valuation allowances, loss contingencies, income taxes, and projection of future cash flows.

Mineral Property Costs. The Company has been in the exploration stage since its formation on April 25, 2007 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition, exploration and development of mineral properties. Mineral property acquisition costs are capitalized when management has determined that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. In the event that a mineral property is acquired through the issuance of the Company’s shares, the mineral property will be recorded at the fair value of the respective property or the fair value of common shares, whichever is more readily determinable.

When mineral properties are acquired under option agreements with future acquisition payments to be made at the sole discretion of the Company, those future payments, whether in cash or shares, are recorded only when the Company has made or is obliged to make the payment or issue the shares. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves and pre feasibility, the costs incurred to develop such property will be capitalized.

Recent Accounting Pronouncements

In December 2007 the FASB issued SFAS No. 141 (revised 2007), “Business Combinations,” (“SFAS 141R”). This statement replaces SFAS No. 141, which was effective July 1, 2001. The statement provides guidance for how the acquirer recognizes and measures the identifiable assets

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acquired, liabilities assumed and any non-controlling interest in the acquiree. SFAS 141R provides for how the acquirer recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase. The statement provides for disclosures to enable users to be able to evaluate the nature and financial effects of the business combination. The provisions of SFAS 141R are effective for the first annual reporting period beginning on or after December 15, 2008, and must be applied prospectively to business combinations completed after that date. Early adoption is prohibited. Management is currently evaluating the impact of adopting this statement.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements,” (“SFAS 160”), which becomes effective for annual periods beginning after December 15, 2008. This standard establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent’s ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. Management is currently evaluating the impact of adopting this statement.

In April 2008, the FASB issued FASB Staff Position (FSP) FSP 142-3, “Determination of the Useful Life of Intangible Assets.” This FSP amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB Statement No. 142, “Goodwill and Other Intangible Assets.” The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under Statement 142 and the period of expected cash flows used to measure the fair value of the asset under FASB Statement No. 141 (Revised 2007), “Business Combinations,” and other U.S. generally accepted accounting principles (GAAP). This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The Company does not expect the adoption of FAS 142-3 to have a material effect on its results of operations and financial condition.

In May 2008, the FASB issued FASB Staff Position (FSP) No. APB 14-1 “Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)” (FSP APB 14-1). FSP APB 14-1 requires the issuer of certain convertible debt instruments that may be settled in cash (or other assets) on conversion to separately account for the liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer’s non-convertible debt borrowing rate. FSP APB 14-1 is effective for fiscal years beginning after December 15, 2008 on a retroactive basis and will be adopted by the Company in the first quarter of fiscal 2010. The Company does not expect the adoption of FSP APB 14-1 to have a material effect on its results of operations and financial condition.

There were various other accounting standards and interpretations recently issued, none of which are expected to a have a material impact on the Company's consolidated financial position, operations or cash flows.

Forward-Looking Statements

This report contains or incorporates by reference forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning our future business plans and strategies, the receipt of working capital, future revenues and other statements that are not historical in nature. In this report, forward-looking statements are often identified by the words “anticipate,” “plan,” “believe,” “expect,” “estimate,” and the like. These forward-looking statements reflect our current beliefs, expectations and opinions with respect to future events, and involve future

risks and uncertainties which could cause actual results to differ materially from those expressed or implied.

In addition to the specific factors identified under “RISK FACTORS” above, other uncertainties that could affect the accuracy of forward-looking statements include:

- the worldwide economic situation;
- any changes in interest rates or inflation;
- the willingness and ability of third parties to honor their contractual commitments;
- our ability to raise additional capital, as it may be affected by current conditions in the stock market and competition for risk capital;
- our capital expenditures, as they may be affected by delays or cost overruns;
- environmental and other regulations, as the same presently exist or may later be amended;
- our ability to identify, finance and integrate any future acquisitions; and
- the volatility of our common stock price.

This list, together with the factors identified under “RISK FACTORS,” is not exhaustive of the factors that may affect any of our forward-looking statements. You should read this report completely and with the understanding that our actual future results may be materially different from what we expect. These forward-looking statements represent our beliefs, expectations and opinions only as of the date of this report. We do not intend to update these forward looking statements except as required by law. We qualify all of our forward-looking statements by these cautionary statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not Applicable.

Item 4T. Controls and Procedures.

(a) We maintain a system of controls and procedures designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within time periods specified in the SEC’s rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. As of May 31, 2010, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective.

As permitted by applicable SEC rules, this report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management’s report, which is included in Item 8 above, was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management’s report in this annual report.

(b) There were no changes in our internal control over financial reporting during the quarter ended May 31, 2010 that materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any legal proceedings, and to the best of our knowledge, no such proceeding is threatened, the results of which would have a material impact on our properties, results of operation, or financial condition. Nor, to the best of our knowledge, are any of our officers or directors involved in any legal proceedings in which we are an adverse party.

Item 1A. Risk Factors

This report, including Management's Discussion and Analysis of Financial Condition or Plan of Operation, contains forward-looking statements that may be materially affected by several risk factors, including those summarized below:

Risks Relating to Our Company

Since we are a relatively new business, investors have no basis to evaluate our ability to operate profitably. We were originally organized in 2007 and have had no revenues from operations since our inception. As an exploration stage company, we face all of the risks commonly encountered by other new businesses, including the lack of an established operating history, need for additional capital and personnel, and intense competition. There is no assurance that our business plan will be successful.

The report of our independent accountants on our financial statements for the year ended November 30, 2009 includes a "going concern" qualification, meaning that there is substantial doubt about our ability to continue in operation. The report cited the following factors in support of our accountant's conclusion: (i) the substantial losses we incurred for the years ended November 30, 2009 and 2008 and the period from inception (September 21, 2007) to November 30, 2009; (ii) our lack of substantial operating revenue; and (iii) our dependence on loans and the sale of equity securities and receipt of capital from outside sources to continue in operation. From inception to May 31, 2010, we have accumulated significant losses. If we are unable to obtain additional financing or eventually produce revenue, we may be forced to sell our assets, curtail or cease operations. In any event, investors in our common stock could lose all or part of their investment.

We are dependent upon receipt of additional working capital to fund our business plan. Our working capital at May 31, 2010 was insufficient to fund our business plan. We will require additional capital to continue our business operations. We will need to obtain additional financing from outside sources within the next 12 months in order to continue to fund our business needs. There is no assurance that funds will be available from any source or, if available, that they can be obtained on terms acceptable to us. If we are unsuccessful in addressing these needs, we may cease our business activities. As a result, investors may lose all or a part of their investment.

Governmental laws and regulations may add to our costs or limit our activities. Our operations are affected from time to time in varying degrees by governmental laws and regulations. We may be required to make significant capital expenditures to comply with governmental laws and regulations. It is also possible that these laws and regulations may in the future add significantly to our operating costs or may significantly limit our activities.

Competition is intense, and we have limited financial and personnel resources with which to compete. We expect to be at a disadvantage when competing with many firms that have substantially greater financial and management resources and capabilities.

Lack of Diversification. Our limited financial resources limit our ability to diversify our operations. The inability to diversify activities into more than one area will subject us to economic fluctuations within a particular business or industry and therefore increase the risks associated with our operations.

Dependence upon Management. We are heavily dependent upon the skills, talents, and abilities of Mark Klok, our current Chief Executive Officer and Secretary, to implement our business plan. The loss of the services of Mr. Klok would have a material adverse effect upon our business and financial condition.

Dependence upon Outside Advisors. To supplement the business experience of our employees, we employ accountants, technical experts, appraisers, attorneys, or other consultants or advisors. The selection of any such advisors will be made by us without any input from stockholders. Furthermore, it is anticipated that such persons may be engaged on an “as needed” basis without a continuing fiduciary or other obligation to us or the shareholders. In the event we consider it necessary to hire outside advisors, we may elect to hire persons who are affiliates, if they are able to provide the required services.

While we presently believe that we have adequate internal controls over financial reporting, we will be required to evaluate our internal controls under Section 404 of the Sarbanes-Oxley Act of 2002 annually and any adverse results from such evaluation could result in a loss of investor confidence in our financial reports and have a material adverse effect on the price of our common stock. Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we have furnished a report by our management on internal controls for the fiscal year ended November 30, 2009. Such a report contains, among other matters, our assessment of the effectiveness of our internal controls over financial reporting, including a statement as to whether or not our internal controls are effective. This assessment must include disclosure of any material weakness in our internal controls over financial reporting identified by our management. While we believe our internal controls over financial reporting are effective as of the date of this report, there is no assurance that we can retain that control in the future, as our business expands. In addition, our evaluation of the effectiveness of our internal controls will be subject to audit by our independent registered accountants in the future and there is no assurance that they will agree with our assessment. If we are unable to maintain the effectiveness of our controls, or if our accountants do not agree with our assessment in the future, investors could lose confidence in our financial reports and our stock price may decline.

Because we do not have an audit or compensation committee, shareholders will have to rely on our Board of Directors, a member of which is also an executive officer and as such is not “independent” as defined by a national securities exchange, to perform these functions. We do not have an audit or compensation committee. These functions are performed by our Board of Directors as a whole and two of the members of our Board do not meet the definition of “independent” under the rules of any national securities exchange. Since our current Board members include members of management, there is a potential conflict where this individual

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participates in discussions concerning management compensation and audit issues that may affect management decisions.

Indemnification of Officers and Directors. The Nevada Business Corporation Act provides for the indemnification of directors, officers, employees, and agents, under certain circumstances, against attorney's fees and other expenses incurred by them in any litigation to which they become a party from their association with or activities on our behalf. We will also bear the expenses of such litigation for any of our directors, officers employees, or agents, upon such person's promise to repay the Company therefore if it is ultimately determined that any such person shall not have been entitled to indemnification. This indemnification policy could result in substantial expenditures by us.

Director's Liability Limited. The Nevada Business Corporation Act excludes personal liability of directors for monetary damages for breach of fiduciary duty except in certain specified circumstances. Accordingly, we will have a much more limited right of action against directors than otherwise would be the case. This provision does not affect the liability of any directors under federal of applicable state securities laws.

Risks Related to Our Common Stock

A small number of existing shareholders own a majority of our voting stock, which could limit your ability to influence the outcome of any shareholder vote. Our executive officers and directors beneficially own approximately 50.33% of our common stock on a fully-diluted basis as of May 31, 2010. Moreover, our Chief Executive Officer, Mark Klok, beneficially holds 10,000,000 shares of common stock and 14,000,000 shares of preferred stock which are convertible into 56,000,000 shares of our common stock. Because holders of our preferred stock may vote together with holders of our common stock on all matters which our stockholders may vote, Mr. Klok holds approximately 47% of the voting shares of the Company and, together with a small number of shareholders, may determine the election of our board of directors and, therefore, the direction of our business. Under our Articles of Incorporation, the vote of a majority of the shares outstanding is generally required to approve most shareholder action. As a result, Mr. Klok and a limited number of other individuals may be able to control the outcome of shareholder votes for the foreseeable future, including votes concerning the election of directors, amendments to our Articles of Incorporation or proposed mergers or other significant corporate transactions. Shareholders should be aware that they may have limited ability to influence the outcome of any vote in the future.

Since there is presently a limited trading market for our common stock, purchasers of our common stock may have difficulty selling their shares, should they desire to do so. Due to a number of factors, including the lack of listing of our common stock on a national securities exchange, the trading volume in our common stock is limited. As a result, the sale of a significant amount of common stock by the selling shareholders may depress the price of our common stock and you may lose all or a portion of your investment.

Since our common stock is not presently listed on a national securities exchange, trading in our shares will likely be subject to rules governing "penny stocks," which will impair trading activity in our shares. Our common stock may be subject to rules adopted by the SEC regulating broker-dealer practices in connection with transactions in penny stocks. Those disclosure rules applicable to penny stocks require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized disclosure document required by the SEC. These rules also require a cooling off period before the transaction can be

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finalized. These requirements may have the effect of reducing the level of trading activity in any secondary market for our common stock. Many brokers may be unwilling to engage in transactions in our common stock because of the added disclosure requirements, thereby making it more difficult for stockholders to dispose of their shares.

Issuances of our stock in the future could dilute existing shareholders and adversely affect the market price of our common stock. We have the authority to issue up to 100,000,000 shares of common stock, 100,000,000 shares of preferred stock, and to issue options and warrants to purchase shares of our common stock without stockholder approval. Because our common stock is not currently listed on a national securities exchange, we are not required to solicit shareholder approval prior to issuing large blocks of our stock. These future issuances could be at values substantially below the price paid for our common stock by our current shareholders. In addition, we could issue large blocks of our common stock to fend off unwanted tender offers or hostile takeovers without further stockholder approval. Because there is presently no trading market for our common stock, the issuance of our stock may have a disproportionately large impact on its price compared to larger companies.

We have never paid dividends on our common stock and we do not anticipate paying any in the foreseeable future. We have not paid dividends on our common stock to date, and we may not be in a position to pay dividends for the foreseeable future. Our ability to pay dividends will depend on our ability to successfully develop our business plan and generate revenue from operations. Further, our initial earnings, if any, will likely be retained to finance our operations. Any future dividends will depend upon our earnings, our then-existing financial requirements and other factors, and will be at the discretion of our Board of Directors.

Item 2. Unregistered Sales of Equity Securities

On June 7, 2010, the Company issued a promissory note to an investor in the aggregate principal amount of $22,000 (“Note”). The purchaser of the Note was an accredited investor as such term is defined under Rule 501 of the Securities Act of 1933. No solicitation was made and no underwriting discounts were given or paid in connection with this transaction. The Company believes that the issuance of the Note to the investor was exempt from registration with the Securities and Exchange Commission pursuant to Section 4(2) of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

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Item 6. Exhibits.

The following exhibits are filed with or incorporated by referenced in this report:

Item No.	Description
3.1	Articles of Incorporation (incorporated by reference from our registration statement on Form S-1 filed on March 21, 2008).
3.2	Certificate of Amendment to Articles of Incorporation (incorporated by reference from our report on Form 8-K filed on December 23, 2009)
3.3	Bylaws (incorporated by reference from our registration statement on Form S-1 filed on March 21, 2008).
31.1*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Mark Klok.
31.2*	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Chene Gardner.
32.1*	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Mark Klok.
32.2*	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Chene Gardner.

* filed herewith

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALTO GROUP HOLDINGS, INC.

/s/ Chene Gardner

Dated: July 15, 2010

By: Chene Gardner, Chief Financial Officer and Director