

ALMADEN MINERALS LTD.

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Second Quarter ended June 30, 2003

August 27, 2003

Description of Business

The Company is an exploration stage company engaged in the acquisition, exploration and when warranted, development of mineral properties in Canada, the United States, and Mexico. The Company's primary properties include the Elk property in British Columbia which includes the Siwash Gold deposit; the Caballo Blanco, Yago/La Sarda, El Pulpo and Galeana prospects, all located in Mexico. None of the Company's property interests are beyond advanced exploration stage. The Company is a reporting issuer in Ontario, British Columbia and Alberta and trades on the TSX under the symbol AMM.

Exploration Programs

In British Columbia, drilling has commenced in the Siwash North area on the Elk property. We are planning a 2,600 metre program testing mainly the WD vein which is roughly parallel to and north of the Siwash B vein. The mill we purchased in Alaska last fall has been completely dismantled and moved to a yard in Whitehorse, Yukon. It will be further moved to a secure site near Merritt, B.C. on backhauls as such become available from the Yukon.

Expatriate Resources Ltd. acquired a 60% stake in our Logan zinc-silver property in the Yukon from Energold Minerals and they are currently evaluating the development of Logan as a 3,000 to 4,000 tonne per day open pit operation with an adjoining flotation mill facility which would also process material from their Wolverine deposit. The current resource at Logan is 12.3 million tonnes grading 6.17% zinc and 26.4 grams of silver/tonne. Almaden is carried for 40% of the Logan property to positive production decision.

At our Caballo Blanco gold property near Veracruz, Mexico, Comaplex Minerals Corp. have completed two phases of geophysics, including Induced Polarization and magnetic surveys on the Highway and Northern zones, which are about six miles apart. This work has outlined an impressive resistivity/chargeability anomaly on the Highway zone; results are expected soon from the Northern zone. Drilling is expected later this year.

Ross River Minerals Inc. completed a work program on our El Pulpo copper gold property near Mazatlan, Mexico. They have reported prospecting on several vein systems, one of which has been traced over two kilometers and yielded very significant gold, silver and copper anomalies. An additional and adjoining concession of about 100 square kilometres was staked to cover a recently discovered area of extensive surface mineralization associated with quartz veins, vein stockworks and breccia zones. This new property now forms part of the El Pulpo Project agreement with Ross River.

Our copper-gold joint venture in Eastern Mexico with BHP Billiton is ongoing with Phase I reconnaissance expected to be completed by the end of the year.

Our Galeana gold property in southern Chihuahua, Mexico is being explored by Grid Capital Corporation. Their recent program consisted of surface sampling, Induced Polarization and geochemical soil surveys. All these methods confirmed the presence of significant targets on two separate vein systems, which we expect Grid to drill later this year.

Another group has expressed serious interest in our Yago gold silver property, Nayarit State, Mexico, and they have recently had a geologist on the property.

Future Plans

The Company's active projects give exposure to several potential gold discovery opportunities in the period ahead, with the added potential for renewed gold production from our high grade Siwash property. We feel we are well positioned to profit from any further increases in the gold price.

Financial Results

For the six months ended June 30, 2003, the Company incurred a loss of \$498,717 (\$0.02 per share) compared to the loss of \$520,808 (\$0.03 per share) for the six months ended June 30, 2002.

Revenue increased in the six months ended June 30, 2003 due to a higher rate of return being earned on cash available for investment and the recovery of mining tax credits.

Expenses decreased in the six months ended June 30, 2003 compared with the six months ended June 30, 2002. General and administrative expenses decreased by \$141,965 mainly due to the amalgamation and the reduction of operating costs in Mexico. General exploration increased by \$60,839 due to the exploration being undertaken by the joint venture between the Company and BHP Billiton World Exploration Inc. in eastern Mexico. Write-down of interests in mineral properties increased in the six months ended June 30, 2003 upon review by management of its exploration programs. Loss on foreign currency increased in the six months ended June 30, 2003.

Financial Position and Liquidity

Operating Cash Flow

Cash used in operations, after allowing for the effects of changes in non-cash working capital components, was \$498,147 in the six months ended June 30, 2003 compared to \$421,346 in the six months ended June 30, 2002.

Financing Activities

Cash was provided by the issuance of shares pursuant to a private placement financing and on the exercise of stock options and share purchase warrants during the six months ended June 30, 2003.

Investing Activities

Cash used in investing activities in the six months ended June 30, 2003 totalled \$165,373 compared to \$9,820 in the six months ended June 30, 2002. During the six months ended June 30, 2003, exploration was undertaken on the ATW diamond property in the Northwest Territory and additional claims were staked and a new property optioned in Mexico. Several of the Company's properties in Mexico are optioned out to third parties who are incurring all costs to earn interests in these properties. Cash was provided in the six months ended June 30, 2003 on the sale of marketable securities compared to the purchase of securities in the comparable period. The Company sold part of its inventory of gold during the six months ended June 30, 2002. No gold was sold during the current period.

Cash Resources and Liquidity

At June 30, 2003, cash and cash equivalents totaled \$524,495 compared to \$964,967 at December 31, 2002, the Company's most recent financial year-end. Working capital was \$1,042,920 at June 30, 2003 compared to \$1,521,627 at December 31, 2002. Included in working capital is the Company's inventory of gold recorded at the cost of production, not market value. Also included in working capital is a contingent liability in the event the Company is unsuccessful in its appeal of assessed additional mineral tax for prior years. The Company's current working capital position is sufficient for its Fiscal 2003 requirements.

In the subsequent period, the Company completed a private placement financing consisting of 323,500 Units at a price of \$0.80 per Unit for gross proceeds of \$258,800. Each Unit consists of one flow through common share and one half of one non flow through purchase warrant with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.80 for a two year period. The principal use of the funds will be to finance further exploration and development of the Siwash property and general exploration and administration expenses.

The Company also announced a proposed private placement financing of 1,500,000 Units at a price of \$0.70 per Unit for gross proceeds of \$1,050,000. Each Unit will consist of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$1.25 during the first year, \$1.50 during the second year, \$1.75 during the third year, \$2.00 during the fourth year and \$2.25 during the fifth year. The warrants will contain an accelerator clause requiring the holder to exercise if at any time during a current year of the warrant shares of the Company trade for 20 consecutive trading days at a price of \$0.50 or more greater than the applicable exercise price, failing which exercise the warrant would cancel. The Company anticipates this financing to be completed during the third quarter.

Risks and Uncertainties

The business of exploring for minerals and mining involves a high degree of risk. There is no certainty that the expenditures made by the Company on the exploration of its properties will result in discoveries of commercial quantities of mineralized material. Most exploration projects do not result in the discovery of commercially mineable ore deposits. There is no certainty that commercial production will be profitable. Profitability depends on many factors including mining costs, recovery rates, metal prices, taxation and environmental remediation costs, and government policies.

ADVISORY TO READER

“I have prepared these financial statements for Almaden Minerals Ltd. in my capacity as Chief Financial Officer. No independent firm of professional accountants has audited, reviewed, compiled, or otherwise attempted to verify the accuracy or completeness of these financial statements. – Signed Dione Bitzer, CMA

ALMADEN MINERALS LTD.

Consolidated Interim Balance Sheets

	June 30, 2003	December 31, 2002
	(unaudited)	(audited)
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 524,495	\$ 964,967
Accounts receivable and prepaid expenses	150,254	136,085
Marketable securities	488,370	600,074
Inventory	274,768	274,768
TOTAL CURRENT ASSETS	1,437,887	1,975,894
FIXED ASSETS	271,514	240,494
RECLAMATION DEPOSIT	81,500	81,500
MINERAL PROPERTIES (Note 2)	3,509,882	3,337,864
TOTAL ASSETS	\$ 5,300,783	\$ 5,635,752
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 15,314	\$ 61,814
Mineral taxes payable	379,653	392,453
TOTAL CURRENT LIABILITIES	394,967	454,267
SHAREHOLDERS' EQUITY		
Share capital		
Authorized		
100,000,000 common shares without par value		
Issued (Note 3)		
22,346,471 shares – June 30, 2003		
21,918,722 shares – December 31, 2002	17,612,429	17,389,381
Deficit	(12,706,613)	(12,207,896)
TOTAL SHAREHOLDER'S EQUITY	4,905,816	5,181,485
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,300,783	\$ 5,635,752

APPROVED BY THE BOARD:

“Duane Poliquin”

“James E. McInnes”

ALMADEN MINERALS LTD.

Consolidated Interim Statements of Loss and Deficit

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
REVENUE				
Mineral properties	\$ -	\$ 20,815	\$ -	\$ 20,815
Interest income	12,014	1,724	23,721	3,342
Other income	23,811	-	23,811	1,500
	35,825	22,539	47,532	25,657
EXPENSES				
General and administrative expenses (Schedule)	109,564	159,795	220,330	362,295
General exploration expenses	62,757	75,670	211,185	150,346
Write-down of interests in mineral properties	43,737	(733)	47,355	3,014
	216,058	234,732	478,870	515,655
LOSS FROM OPERATIONS	(180,233)	(212,193)	(431,338)	(489,998)
GAIN (LOSS) ON SECURITIES	5,983	(10,345)	(9,683)	(32,845)
GAIN ON FIXED ASSETS	-	-	-	12,924
FOREIGN EXCHANGE LOSS	(48,758)	(13,741)	(57,696)	(10,889)
NET LOSS	(223,008)	(236,279)	(498,717)	(520,808)
DEFICIT, BEGINNING OF PERIOD	(12,483,605)	(9,456,400)	(12,207,896)	(9,171,871)
DEFICIT, END OF PERIOD	\$ (12,706,613)	\$ (9,692,679)	\$ (12,706,613)	\$ (9,692,679)
NET LOSS PER SHARE				
Basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
	22,316,850	19,558,940	22,144,483	18,347,702

ALMADEN MINERALS LTD.

Consolidated Interim Statements of Loss and Deficit

(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2003	2002	2003	2002
OPERATING ACTIVITIES				
Net loss	\$ (223,008)	\$ (236,279)	\$ (498,717)	\$ (520,808)
Items not affecting cash				
Depreciation	9,110	7,826	17,001	15,304
Write-down (recovery) of interests in mineral properties	43,737	(733)	47,355	3,014
(Gain) loss on securities	(5,983)	10,345	9,683	32,845
Gain on sale of fixed assets	-	-	-	(12,924)
	(176,144)	(218,841)	(424,678)	(482,569)
Change in non-cash working capital				
Components				
Accounts receivable and prepaid expenses	17,453	36,956	(14,169)	(4,821)
Accounts payable and accrued liabilities	(150,351)	(48,676)	(46,500)	(66,582)
Mineral taxes payable	-	133,295	(12,800)	132,626
Liability to issue shares	-	(860,000)	-	-
	(309,042)	(957,266)	(498,147)	(421,346)
FINANCING ACTIVITIES				
Issuance of shares - net of expenses	89,692	1,080,112	223,048	1,080,112
INVESTING ACTIVITIES				
Change in marketable securities	(114,681)	(458,262)	102,021	(147,439)
Fixed assets				
Purchases	(17,698)	(12,155)	(23,021)	(17,032)
Proceeds	-	-	-	18,587
Mineral properties				
Costs	(48,570)	(149,289)	(244,373)	(226,842)
Gold sales	-	362,906	-	362,906
	(180,949)	(256,800)	(165,373)	(9,820)
NET CASH (OUTFLOW) INFLOW	(400,299)	(133,954)	(440,472)	648,946
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	924,794	1,057,000	964,967	274,100
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 524,495	\$ 923,046	\$ 524,495	\$ 923,046

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

Six months ended June 30, 2003
(unaudited)

1. BASIS OF PRESENTATION

These interim unaudited consolidated financial statements do not include all the disclosure required by Canadian generally accepted accounting principles for annual statements and should be read in conjunction with the annual audited financial statements for the year ended December 31, 2002, specifically the following Notes: Note 1 on the Nature of Operations; Note 2 on Amalgamation; Note 3 on the Significant Accounting Policies; Note 4 on the Adoption of Accounting Policy and Note 17 on Contingency. These statements are prepared in accordance with recommendations for interim financial statements in conformity with Canadian generally accepted accounting principles. They have been prepared using the same accounting policies and methods as those used in the December 31, 2002 accounts.

2. MINERAL PROPERTIES

	June 30, 2003	December 31, 2002
Canada		
ATW		
Net 30% interest in mineral claims near Lac De Gras, Northwest Territories, Canada	\$ 171,096	\$ 117,803
Cabin Lake		
100% interest in mineral claims in the Yukon Territory, Canada	35,000	35,000
Caribou Creek		
100% interest in mineral claims in the Yukon Territory, Canada	35,000	35,000
Elk		
100% interest in mineral claims in British Columbia, Canada which includes the Siwash gold deposit	1,108,634	1,089,462
MOR		
100% interest in mineral claims in the Yukon Territory, Canada	62,024	62,024
PV		
100% interest in mineral claims in British Columbia, Canada	101,081	88,962
Rock River Coal		
50% interest in 187,698 acre coal prospect in the Yukon Territory, Canada	14,181	14,097
Mexico		
Caballo Blanco		
Option to purchase 100% interest in mineral claims in Veracruz, Mexico	522,769	519,161
El Pulpo		
100% interest in mineral claims in Sinaloa State, Mexico	80,906	68,188
San Carlos / San Jose		
100% interest in the San Carlos mineral claim and 90% interest in the San Jose mineral claims in Tamaulipas State, Mexico	275,742	276,551
Tropico		
40% interest in minerals claims in Western Mexico	49,652	35,520
Yago / La Sarda		
100% interest in mineral claims in Nayarit State, Mexico	788,762	777,180
Interests in various other mineral claims	265,035	218,916
	\$ 3,509,882	\$ 3,337,864

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

Six months ended June 30, 2003
(unaudited)

3. SHARE CAPITAL

Since December 31, 2002, changes in issued shares were as follows:

	<u>Number</u>		<u>Amount</u>
Balance, December 31, 2002	21,918,722	\$	17,389,381
For cash pursuant to private placement (i)	80,000		62,780
For cash on exercise of stock options (ii)	86,950		29,889
For cash on exercise of share purchase warrants (iii)	260,799		130,379
Balance, June 30, 2003	22,346,471		17,612,429

- (i) The Company issued 80,000 flow-through common shares on March 13, 2003 on a private placement basis at a price of \$0.80 per share. Attached to these common shares were one-half common share purchase warrants. Each whole warrant is exercisable into one common share at \$0.95 per share until March 13, 2004.
- (ii) During the six months ended June 30, 2003, the Company issued 86,950 common shares upon the exercise of 60,000 stock options at a price of \$0.30 per share, 3,850 stock options at a price of \$0.388 per share and 23,100 stock options at a price of \$0.45 per share.
- (iii) During the six months ended June 30, 2003, the Company issued 230,000 common shares upon the exercise of an equal number of warrants at a price of \$0.51 per share and 30,799 common shares upon the exercise of an equal number of warrants at a price of \$0.424 per share.

Warrants

At June 30, 2003, the following share purchase warrants were outstanding:

<u>Number of Warrants</u>	<u>Exercise Price Range</u>	<u>Expiry date</u>
881,650	\$ 0.42/0.47	October 1, 2003/2004
795,000	\$ 0.60	April 2, 2004
1,720,000	\$ 0.60/0.70	October 15, 2003/2004
180,000	\$ 0.65	April 4, 2004
40,000	\$ 0.95	March 13, 2004
<u>3,616,650</u>		

Included in warrants outstanding are 959,700 held by directors.

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

Six months ended June 30, 2003
(unaudited)

4. STOCK BASED COMPENSATION PLANS

The Company has a fixed stock option plan under which, pursuant to the Toronto Stock Exchange, permits the issuance of options up to 10% of the Company's issued share capital. The maximum number of shares reserved for issuance under this plan is 2,000,000. At June 30, 2003, the Company has reserved 571,000 stock options that may be granted. The exercise price of an option cannot be less than the closing price of the common shares on the Toronto Stock Exchange on the day immediately preceding the grant of the option and the maximum term of all options is five years. Stock options previously granted by the Company and its predecessor, which by the terms of the amalgamation, become options granted by the Company, are not options granted under the Company's fixed stock option plan.

The Board of Directors determines the term of the option (to a maximum of 5 years) and the time during which any option may vest. All options granted during the six months ended June 30, 2003 vested on the date granted.

The following table presents the outstanding options as at June 30, 2003 and changes during the period:

Fixed Options	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2002	2,734,533	\$ 0.44
Granted	454,000	0.79
Exercised	(86,950)	0.34
Outstanding at June 30, 2003	3,101,583	\$0.40
Options exercisable at June 30, 2003	3,101,583	

The following table summarizes information about stock options outstanding at June 30, 2003:

Options Outstanding and Exercisable		
Number Outstanding at June 30, 2003	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
91,092	3.1	0.27
675,000	2.7	0.30
154,000	6.3	0.39
675,491	4.9	0.45
77,000	1.8	0.49
975,000	3.7	0.55
75,000	4.8	0.74
379,000	4.7	0.80
3,101,583		

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

Six months ended June 30, 2003
(unaudited)

4. STOCK BASED COMPENSATION PLANS (Continued)

The fair value assigned to stock options granted during the six months ended June 30, 2003 was \$124,000. Had the portion of this compensation cost been charged to earnings, the net loss for the six months ended June 30, 2003 would have been \$622,717 while the basic loss per share would increase to \$0.03 and the diluted loss per share would remain unchanged.

The fair value of each option grant is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted-average assumptions for grants in the six months ended June 30, 2003: dividend yield of 0%; expected volatility of approximately 60%; risk-free rate of 3.5% and expected lives of five years. The weighted-average fair value of options granted in the six months ended June 30, 2003 was \$0.79.

5. RELATED PARTY TRANSACTIONS

A company controlled by the President of the Company was paid \$52,800 for geological services during the six months ended June 30, 2003. The Company was also paid \$1,200 for maintenance of the Company's website.

A company controlled by a Director of the Company was paid \$51,047 for geological services during the six months ended June 30, 2003.

6. COMPARATIVE FIGURES

Certain of the June 30, 2002 comparative figures have been reclassified to conform with the financial statement presentation adopted at December 31, 2002.

ALMADEN MINERALS LTD.

Consolidated Interim Schedule of General and Administrative Expenses

(unaudited)

	Six months ended June 30,	
	2003	2002
Bank charges and interest	\$ 3,020	\$ 2,260
Depreciation	17,001	15,304
Insurance	2,984	2,886
Office and licenses	55,046	60,364
Professional fees	69,849	123,952
Rent	39,219	45,762
Stock exchange fees	15,845	65,431
Telephone	6,579	6,751
Transfer agent fees	4,815	9,019
Travel and promotion	5,972	30,566
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	\$ 220,330	\$ 362,295
