

ALMADEN  
MINERALS LTD.

1103 - 750 West Pender St.  
Vancouver, B.C. V6C 2T8  
Tel: 604 - 689 - 7644  
Fax: 604 - 689 - 7645  
Email: [info@almadenminerals.com](mailto:info@almadenminerals.com)

**NOTICE TO READER**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended March 31, 2007.

# Almaden Minerals Ltd.

## Consolidated interim balance sheets

March 31, 2007 and December 31, 2006

	March 31, 2007	December 31, 2006
	(unaudited)	(audited)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 16,418,695	\$ 18,796,956
Accounts receivable and prepaid expenses	782,414	600,413
Marketable securities	1,693,914	1,319,142
Inventory (Note 3)	274,768	274,768
Total current assets	19,169,791	20,991,279
Property, plant and equipment (Note 4)	1,197,482	1,246,805
Reclamation deposit	76,500	76,500
Mineral properties (Note 5)	8,328,664	6,404,978
Total assets	\$ 28,772,437	\$ 28,719,562
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 354,677	\$ 369,250
Mineral taxes payable	379,653	379,653
Total current liabilities	734,330	748,903
<b>Shareholders' Equity</b>		
Share capital		
Authorized		
Unlimited number of common shares without par value		
Issued (Note 6)		
44,066,047 shares – March 31, 2007		
43,624,255 shares – December 31, 2006	47,083,552	46,655,822
Contributed surplus (Note 7)	3,976,247	4,081,471
Accumulated other comprehensive income (Note 8)	416,216	-
Deficit accumulated during the exploration stage	(23,437,908)	(22,766,634)
Total shareholders' equity	28,038,107	27,970,659
Total liabilities and shareholders' equity	\$ 28,772,437	\$ 28,719,562

On behalf of the Board

“Duane Poliquin”

Duane Poliquin, Director

“James E. McInnes”

James E. McInnes, Director

## Almaden Minerals Ltd.

### Consolidated interim statements of operations and deficit

Three month periods ended March 31, 2007 and 2006  
(unaudited)

	Three Months ended March 31,	
	2007	2006
<b>Revenue</b>		
Interest income	\$ 168,173	\$ 70,470
Other income	32,159	52,458
	<u>200,332</u>	<u>122,928</u>
<b>Expenses</b>		
General and administrative expenses (Schedule)	368,741	305,417
Write-down of interests in mineral properties	165,515	104,823
General exploration expenses	462,329	139,436
	<u>996,585</u>	<u>549,676</u>
	(796,253)	(426,748)
Write-down of marketable securities	-	(162,000)
Income on mineral property options	14,275	36,548
Gain on sale of securities	116,809	118,230
Foreign exchange (loss) gain	(6,105)	7,402
	<u>(671,274)</u>	<u>(426,568)</u>
Income tax recovery	642,600	-
	<u>(28,674)</u>	<u>(426,568)</u>
<b>Net loss</b>	(28,674)	(426,568)
Deficit, accumulated during exploration stage, beginning of period	(22,766,634)	(18,497,859)
Renouncement of tax deductibility relating to flow-through shares	(642,600)	-
<b>Deficit, accumulated during exploration stage, end of period</b>	<u>\$ (23,437,908)</u>	<u>\$ (18,924,427)</u>
Net loss per share		
Basic and diluted	\$ (0.00)	\$ (0.01)
Basic and diluted weighted average number of shares outstanding	43,828,967	37,709,634

**Almaden Minerals Ltd.**

## Consolidated interim statements of comprehensive income

Three month periods ended March 31, 2007 and 2006  
(unaudited)

	Three Months ended March 31,	
	2007	2006
<b>Net loss</b>	\$ (28,674)	\$ (426,568)
Unrealized gains and losses on available-for-sale financial assets arising during the period	237,776	-
Reclassification adjustment for gains and losses included in net income (loss)	(117,790)	-
<b>Other comprehensive income</b>	119,986	-
<b>Comprehensive income</b>	\$ 91,312	\$ (426,568)

## Almaden Minerals Ltd.

### Consolidated interim statements of cash flows

Three month periods ended March 31, 2007 and 2006  
(unaudited)

	Three Months Ended March 31,	
	2007	2006
<b>Operating activities</b>		
Net loss	\$ (28,674)	\$ (426,568)
Items not affecting cash		
Income tax recovery	(642,600)	-
Depreciation	52,788	52,866
Gain on marketable securities	(116,809)	(118,230)
Write-down of marketable securities	-	162,000
Income on mineral property options	(14,275)	(36,548)
Write-down of interests in mineral properties	165,515	104,823
Change in non-cash working capital components		
Accounts receivable and prepaid expenses	(182,001)	(180,539)
Accounts payable and accrued liabilities	(14,573)	66,940
Deferred exploration advances	-	89,468
	(780,629)	(285,788)
<b>Financing activities</b>		
Issuance of shares - net of share issue costs	309,506	3,367,765
<b>Investing activities</b>		
Marketable securities		
Purchases	-	(20,000)
Net proceeds	206,254	230,244
Property, plant and equipment		
Purchases	(3,465)	(73,682)
Mineral properties		
Costs	(2,225,927)	(344,966)
Proceeds	116,000	2,072
	(1,907,138)	(206,332)
Net cash (outflow) inflow	(2,378,261)	2,875,645
Cash and cash equivalents, beginning of period	18,796,956	7,961,050
<b>Cash and cash equivalents, end of period</b>	<b>\$ 16,418,695</b>	<b>\$ 10,836,695</b>

# **Almaden Minerals Ltd.**

## Note to consolidated interim financial statements

March 31, 2007

(unaudited)

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### **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 audited consolidated financial statements for the year ended December 31, 2006 specifically the following Notes: Note 1 on the Nature of Operations; Note 2 on Significant Accounting Policies; and Note 15 on Commitments and Contingencies. 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, 2006 accounts.

### **2. Change in accounting policy - Financial instruments**

During 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued new accounting standards dealing with the recognition, measurement and disclosure of financial instruments, hedges and comprehensive income, together with many consequential changes throughout the CICA handbook. The CICA issued the following handbook sections: Section 3855, Financial Instruments – Recognition and Measurement; Section 3865, Hedges; Section 1530, Comprehensive Income; Section 3861, Financial Instruments – Disclosure and Presentation; and Section 3251, Equity.

These sections specify when a financial instrument is to be recognized on the balance sheet. These sections require a financial instrument to be measured at fair value or using cost-based measures, establish how gains and losses are recognized and presented, including introducing comprehensive income; specify how hedge accounting is applied; and establish new disclosures about an entity’s accounting for designated hedging relationships and the methods and assumptions applied in determining fair values.

The standards require that all financial assets be classified as trading, available for sale, held to maturity or loans and receivables. In addition the standards require that financial assets, including derivatives, be measured at fair value on the balance sheet with the exception of loans, receivables and investments classified as held to maturity which will be measured at amortized cost. Changes in the fair value of available-for-sale securities are reported within a new statement of Other Comprehensive Income (“OCI”), until the financial asset is derecognized or becomes impaired. Changes in the fair value of trading securities are recorded directly into income. Financial liabilities are classified as trading or at amortized cost.

The Company adopted the new standards effective January 1, 2007. The impact on the Company of the new standards will be accounting for marketable securities at their fair value on the balance sheet and recognition of the movement in unrealized gains/losses on marketable securities in Other Comprehensive Income. The adoption of these standards resulted in the reporting of marketable securities at a fair value of \$1,615,372 at December 31, 2006 with an adjustment to increase opening accumulated other comprehensive income by \$296,230 as of January 1, 2007.

## Almaden Minerals Ltd.

### Note to consolidated interim financial statements

March 31, 2007  
(unaudited)

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#### 3. Inventory

Inventory consists of 1,597 ounces of gold bullion which is valued at the lower of average cost of mining and estimated net realizable value. The market value of the gold at March 31, 2007 is \$1,229,684. (December 31, 2006-\$1,185,600).

#### 4. Property, plant and equipment

	March 31, 2007		December 31, 2006	
	Cost	Accumulated depreciation	Net book value	Net book value
Automotive equipment	\$ 323,037	\$ 176,313	\$ 146,724	\$ 158,621
Furniture and fixtures	130,400	96,242	34,158	35,956
Computer hardware	211,353	155,336	56,017	56,953
Computer software	50,521	25,768	24,753	26,760
Geological data library	65,106	37,276	27,830	29,223
Field equipment	269,800	143,617	126,183	132,895
Mill equipment	323,264	-	323,264	323,264
Leasehold improvements	27,181	8,493	18,688	20,117
Drill equipment	643,078	203,213	439,865	463,016
	<u>\$ 2,043,740</u>	<u>\$ 846,258</u>	<u>\$ 1,197,482</u>	<u>\$ 1,246,805</u>

At March 31, 2007 the mill equipment was not in use. Depreciation will be charged once the equipment is put into use.

## Almaden Minerals Ltd.

### Note to consolidated interim financial statements

March 31, 2007  
(unaudited)

#### 5. Mineral properties

	March 31, 2007	December 31, 2006
<i>Canada</i>		
Elk		
100% interest in mineral claims in British Columbia which includes the Siwash gold deposit	\$ 4,840,449	\$ 4,737,735
ATW		
Net 37.5% interest in mineral claims near Lac De Gras, Northwest Territories	100,000	100,000
Merit and Brookmere		
100% interest in mineral claims in British Columbia	62,440	62,440
Nicoamen River		
100% interest in mineral claims in British Columbia	38,050	38,050
Skoonka Creek		
49% interest in mineral claims in British Columbia	25,474	22,798
MOR		
100% interest in mineral claims in the Yukon Territory	31,524	31,524
Rock River Coal		
50% interest in 187,698 acre coal prospect in the Yukon Territory	39,339	39,339
<i>Mexico</i>		
Caballo Blanco		
100% interest in mineral claims in Veracruz State	2,280,905	552,518
Viky		
100% interest in mineral claims in Coahuila State	123,860	230,918
Tuligtic		
100% interest in mineral claims in Puebla State	121,022	121,022
Fuego		
100% interest in mineral claims in Oaxaca State	1	1
San Carlos / San Jose		
100% interest in mineral claims in Tamaulipas State	77,720	41,520
Yago		
100% interest in mineral claims in Nayarit State	1	1
<i>Interests in various other mineral claims</i>	587,879	427,112
	\$ 8,328,664	\$ 6,404,978

# Almaden Minerals Ltd.

## Note to consolidated interim financial statements

March 31, 2007  
(unaudited)

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### 5. Mineral properties (continued)

The following is a description of the Company's most significant property interest and related commitments:

(a) *Caballo Blanco*

To earn a 100% interest, the Company issued a total of 200,000 common shares and paid US\$668,500. The underlying owner would receive a NSR of 2.5% to 1% based on the rate of production. The Company can purchase 50% of this NSR for a fixed payment of US\$750,000. During 2006, Comaplex completed earn-in requirements as to a 60% interest. During the three months ended March 31, 2007, the Company acquired Comaplex's 60% interest for US\$1,250,000. Subsequent to March 31, 2007, the Company entered into a letter of intent with Canadian Gold Hunter Corp. ("CGH"). To earn a 70% interest, CGH must make a US\$500,000 payment upon signing a formal agreement, issue 1,000,000 shares to the Company and incur exploration expenditures totalling US\$12,000,000 over six years and fund all costs required for the completion of a bankable feasibility study.

(b) *Viky*

The Company acquired a 100% interest in the Viky Property by staking and purchased interest in three additional mineral claims. During the three months ended March 31, 2007, the Company entered into an agreement with Apex Silver Mines Limited ("Apex"). To earn a 60% interest, Apex must incur exploration expenditures of US\$5,600,000 and make cash payments of US\$1,350,000 to the Company over six years.

(c) *San Carlos*

The Company acquired a 100% interest in the San Carlos claims by staking and purchased a 100% interest in the San Jose claim subject to a 2% NSR. During the three months ended March 31, 2007, the Company purchased the NSR for US\$20,000 and a 25,000 share purchase warrant for a term of three years at a price of \$3.00 per share.

(d) *Yago*

The Company acquired a 100% interest in the Yago property by staking and purchased a 100% interest in various other mineral claims. During the three months ended March 31, 2007, the Company entered into an agreement with Consolidated Spire Ventures Ltd. ("Spire"). To earn a 60% interest, Spire has to incur exploration expenditures totalling US\$3,500,000 and issue 800,000 shares to the Company over five years.

(e) *Japan Oil, Gas and Metals National Corporation Joint Venture*

During 2005, the Company entered into a joint venture agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). The regional joint venture program was to consist of grassroots exploration for base metal deposits over a selected area in Mexico. Subsequent to March 31, 2007, JOGMEC withdrew from all joint venture activities.

## Almaden Minerals Ltd.

### Note to consolidated interim financial statements

March 31, 2007  
(unaudited)

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#### 5. Mineral properties (continued)

*fl) Other*

*Bufo*

The Company acquired a 100% interest in the Guadalupe claim by staking. During 2005, the Company entered into an agreement with Lincoln Gold Corp. ("Lincoln"). During the three months ended March 31, 2007, the Company renegotiated its agreement Lincoln. To earn a 60% interest, Lincoln must incur exploration expenditures of US\$3,500,000 and issue 1,550,000 shares to the Company over five years.

#### 6. Share capital

(a) The changes in issued shares since December 31, 2006 to March 31, 2007 are as follows:

	<u>Number</u>		<u>Amount</u>
Balance, December 31, 2006	43,624,255	\$	46,655,822
For cash on exercise of stock options (including transfer from contributed surplus of \$118,224)	441,792		427,730
<b>Balance, March 31, 2007</b>	<b>44,066,047</b>	<b>\$</b>	<b>47,083,552</b>

(b) *Warrants*

	<u>Number of Warrants</u>	<u>Expiry Date</u>	<u>Exercise Price Range</u>
Outstanding, December 31, 2006	370,541	November 15, 2007 to July 21, 2008	\$1.78 to \$3.00
Granted	25,000	March 20, 2010	\$3.00
<b>Outstanding, March 31, 2007</b>	<b>395,541</b>	<b>November 15, 2007 to March 20, 2010</b>	<b>\$1.78 to \$3.00</b>

The fair value of the warrants issued March 20, 2007 was estimated at \$13,000 (see Note 7) using the Black-Scholes option pricing model based on the following weighted average assumptions: risk free interest rate of 4.16%; expected life of 3 years; dividend rate of 0%; and volatility of 40.15%.

**Almaden Minerals Ltd.**

Note to consolidated interim financial statements

March 31, 2007  
(unaudited)

**6. Share capital (continued)**

(b) *Warrants (continued)*

At March 31, 2007 the following share purchase warrants were outstanding:

Number of Warrants	Expiry Date	Exercise Price Range \$
4,250	November 16, 2007	1.78
162,500	July 21, 2008	3.00
88,841	November 15, 2007	2.85
114,950	December 20, 2007	3.00
25,000	March 20, 2010	3.00
<u>395,541</u>		

(c) *Options*

The Company's stock option plan permits the issuance of options up to a maximum of 10% of the Company's issued share capital. Stock options issued to any consultant or person providing investor relations services cannot exceed 2% of the total permitted under the plan in any twelve month period. At March 31, 2007, the Company had reserved 785,605 stock options that may be granted. The exercise price of any option cannot be less than the volume weighted average trading price of the shares for the five trading days immediately preceding the date of the grant. The maximum term of all options is five years. The Board of Directors determines the term of the option (to a maximum of five years) and the time during which any option may vest. Options granted to consultants or persons providing investor relations services shall vest in stages with no more than 25% of such option being exercisable in any three month period. The Company also has stock options outstanding relating to the period before the introduction of the stock option plan.

The following table presents the outstanding options as at December 31, 2006 and March 31, 2007 and changes during the period:

Options	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2006	4,798,483	\$ 1.36
Exercised	(441,792)	0.70
<u>Outstanding and exercisable at March 31, 2007</u>	<u>4,356,691</u>	<u>\$ 1.43</u>

## Note to consolidated interim financial statements

March 31, 2007  
(unaudited)

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### 6. Share capital (continued)

#### (b) Options (continued)

The following table summarizes information about stock options outstanding at March 31, 2007:

Options Outstanding and Exercisable		
Number Of Shares	Expiry Date	Exercise Price
		\$
50,000	September 5, 2007	2.92
250,000	February 26, 2008	0.80
100,000	July 6, 2008	2.50
581,691	October 7, 2008	0.45
154,000	December 1, 2009	0.39
1,126,000	December 14, 2009	1.67
240,000	June 17, 2010	1.79
1,855,000	July 6, 2011	2.50
<u>4,356,691</u>		

Subsequent to March 31, 2007, the Company received \$334,100 on the exercise of 125,000 stock options (including transfer from contributed surplus of \$108,750).

### 7. Contributed surplus

Balance, December 31, 2006	\$ 4,081,471
Fair value of warrants granted during the period	13,000
Exercise of stock options	<u>(118,224)</u>
Balance, March 31, 2007	<u>\$ 3,976,247</u>

### 8. Accumulated other comprehensive income

Balance, December 31, 2006	\$ -
Adoption of financial instruments standards	296,230
Comprehensive income for the period	<u>119,986</u>
Balance, March 31, 2007	<u>\$ 416,216</u>

## **Almaden Minerals Ltd.**

Note to consolidated interim financial statements

March 31, 2007

## **9. Related party transactions**

Significant related party transactions and balances not disclosed elsewhere in these financial statements include:

A company controlled by the Chief Executive Officer of the Company was paid \$35,000 for technical services and \$9,175 for general and administrative services during the three months ended March 31, 2007.

A company controlled by the Chief Operating Officer of the Company was paid \$35,000 for geological services during the three months ended March 31, 2007.

An officer of the Company was paid \$24,064 for professional services rendered during the three months ended March 31, 2007.

Accounts payable at March 31, 2007 included \$35,700 due to related companies.

## **10. Subsequent events**

The Company entered into a letter of intent dated April 27, 2007 with Tarsis Capital Corp. ("Tarsis"), a capital pool company. Tarsis will acquire the interests of certain mineral exploration properties located in the Yukon Territory and Mexico for a total of 3,500,000 common shares of Tarsis. In addition, Tarsis will also grant to the Company a net smelter royalty equal to 2% of all metals discovered on the properties and issue the Company up to 500,000 common shares if, within 24 months of the completion of the acquisition, any of the properties becomes subject of an option agreement with an arm's length third party with a commitment by the third party to expend a minimum of \$500,000 on the property. Tarsis intends to use the acquisition to constitute the qualifying transaction as defined in the policies of the TSX Venture Exchange. This transaction is subject to completion of satisfactory due diligence, a definitive acquisition agreement and receipt of applicable regulatory approvals.

**ALMADEN MINERALS LTD.**

## Consolidated interim schedule of general and administrative expenses

Three month periods ended March 31, 2007 and 2006  
(unaudited)

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	Three Months Ended March 31,	
	2007	2006
Depreciation	\$ 52,788	\$ 52,866
Insurance	23,048	10,245
Office and licenses	90,565	55,371
Professional fees	64,553	53,517
Regulatory compliance	24,478	-
Rent	33,990	28,923
Stock exchange fees	23,649	20,126
Transfer agent fees	2,210	3,912
Travel and promotion	53,460	80,457
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	\$ 368,741	\$ 305,417

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