ALMADEN MINERALS LTD.
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended December 31, 2007

We are an exploration stage company engaged in the acquisition, exploration and development of mineral properties of merit with focus on Canada, the United States and Mexico with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploitation. Our common stock is quoted on the American Stock Exchange under the trading symbol AAU and on the Toronto Stock Exchange under the symbol AMM.

This management discussion and analysis of the audited consolidated operating results and financial condition of the company for the years ended December 31, 2007 and 2006 is prepared as of March 25, 2008 and should be read in conjunction with the consolidated financial statements and the related notes thereto for the year ended December 31, 2007 which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise. Additional information relating to us is available on our website at www.almadenminerals.com, on the Canadian Securities Administrator's website at www.sedar.com and on the EDGAR section of the United States Securities and Exchange Commission's website at www.sec.gov.

RESULTS OF OPERATIONS – Fourth Quarter

For the quarter ended December 31, 2007, the Company recorded a net loss of $302,688 or $0.00 per share (2006 – $583,927 or $0.01 per share). The decrease in net loss during the current quarter as compared to the corresponding quarter in the prior year was primarily due to a decrease in write-down of interests in mineral properties which fluctuates period to period based on management's evaluation of the carrying value of each mineral property interest held at that time, a gain on the deemed partial dilution of the Company's investment in Tarsis Capital Corp. ("Tarsis") from 41% to 30% and a decrease in write-down of marketable securities as such write-downs are now included as a component of comprehensive loss upon the adoption January 1, 2007 of the new accounting standard as it relates to financial instruments..

As we are an exploration company, we have no revenue from mining operations. Revenue consists primarily of interest income, lower than the quarter ended December 31, 2006 as fewer funds were available for investment and interest rates decreased. Other income also decreased during the quarter with less value-added tax recovered in Mexico. The Company has recovered a significant amount of value-added tax over the past several years resulting in lower recoverable balances remaining.

General and administrative expenses were $497,070 for the quarter ended December 31, 2007 (2006 - $352,816). Professional fees increased due to the work required to comply with SOX requirements. General exploration expenses were $208,890 for the current quarter, consistent with the prior year's quarter (2006 - $233,217).

Significant non-cash items include the gain on deemed partial dilution of the Company's investment in Tarsis Capital Corp.

Summary of quarterly information

The following table sets forth selected quarterly financial information for each of our last eight quarters:

	Dec 31 2007	Sep 30 2007	Jun 30 2007	Mar 31 2007	Dec 31 2006	Sep 30 2006	Jun 30 2006	Mar 31 2006
Total revenues	$136,224	$161,495	$254,247	$200,332	$271,051	$322,518	$120,434	$122,928
Net loss	302,688	599,652	117,806	28,674	583,927	2,620,044	638,236	426,568
Net loss per share	0.00	0.02	0.00	0.00	0.01	0.06	0.02	0.01
Income on mineral property Options	179,662	1,038,287	345,472	14,275	233,305	196,080	61,878	36,548
Write-down of interests in mineral properties	170,683	361,264	49,411	165,515	665,577	156,615	198,319	104,823
Stock option compensation	115,500	585,000	-	-	-	2,488,900	-	-
Working capital	17,415,132	18,845,987	19,840,112	18,435,461	20,242,376	19,897,478	20,391,303	12,159,086
Total assets	27,969,639	28,925,586	28,625,642	28,772,437	28,719,562	28,181,386	27,741,946	19,464,360

RESULTS OF OPERATIONS – Year to date

For the year ended December 31, 2007, the Company recorded a net loss of $1,048,820 or $0.02 per share (2006 – $4,268,775 or $0.10 per share). The decrease in net loss was primarily due to an increase in income on mineral property options and a decrease in stock-based compensation. Income on mineral property options consists of equity securities and/or cash payments received pursuant to mineral property option agreements and reflects the excess of the market value, in the case of the marketable securities, at the time of receipt over the carrying value of the property. During 2007, the income on mineral property options primarily consisted of the receipt of 3,500,000 shares of Tarsis pursuant to the agreement to sell certain of the Company's zinc properties, primarily in the Yukon and the Erika property in Mexico. The estimated market value of the transaction was $1,120,000 which exceeded the book value of the properties by $969,314. The Company also received option payments of $530,000 and 1,000,000 shares of Canadian Gold Hunter Corp. (value on receipt - $2,000,000) pursuant to the agreement on the Caballo Blanco property which exceeded our carrying value of the property by $333,264. The Company also received the final payment consisting of 1,000,000 shares of Consolidated Spire Ventures Ltd. (value on receipt - $200,000) pursuant to the agreement to sell our 40% interest in the PV property, which represented the majority of income on mineral property options during 2006. Stock-based compensation fluctuates based on the number of options granted in any period. A future income tax recovery of $642,600 was recognized during the year relating to flow-through shares issued during 2006 and renounced in the first quarter of 2007.

Because the Company is an exploration company, it has no revenue from mining operations. Revenue consists mainly of interest income and the recovery of value-added tax in Mexico included in other income. The recovery of value-added tax in Mexico decreased during 2007 as the Company recovered much of prior year's recoveries in 2006. With the increase in recovery of value-added tax over the past several years, the Company has lower recoverable balances remaining.

General and administrative expenses were $1,510,290 in 2007 (2006 - $1,195,495). The increase was primarily due to the hiring of staff and increased travel and promotion. We participated in the Vancouver Resource Investment Conference, the Prospectors and Developers Association Conference, the Latin America Mining Congress in Miami, the World Gold, PMG, & Diamond Investment Conference, the True Wealth Gold & Commodities Conference in Long Beach, the Agora Financial Investment Symposium and the New Orleans Investment Conference. The Company engaged Roth Investor Relations Inc. of New Jersey who organized a presentation to various fund managers and stock brokers in Chicago, New York and Boston. We also continued to retain Casey Research for a sponsored profile on the Kitco Casey website.

General exploration expenses were $1,292,578 in 2007 (2006 - $718,191). The increase is primarily due to increased exploration being undertaken in the western USA and Mexico.

Significant non-cash items include income on mineral property options, the gain on deemed partial dilution of the investment in Tarsis and the recovery of income tax recognized on the renouncement of tax deductibility relating to flow-through shares discussed above.

Summary of annual information

The following table sets forth selected annual financial information for each of our last three years:

	2007	2006	2005
Total revenues	$ 752,298	$ 836,931	$ 246,441
Net loss	1,048,820	4,268,775	1,095,215
Net loss per share	0.02	0.10	0.03
Income on mineral property options	1,577,696	527,811	912,795
Write-down of interests in mineral properties	746,873	1,125,334	567,658
Stock option compensation	700,500	2,488,900	213,600
Working capital	17,415,132	20,242,376	9,374,074
Total assets	27,969,639	28,719,562	16,366,755

The Company has not in the past and does not presently intend to pay dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business.

FINANCIAL POSITION AND LIQUIDITY

At December 31, 2007, the Company had working capital of $17,415,132 and cash and cash equivalents of $14,548,760 compared to working capital of $20,242,376 and cash and cash equivalents of $18,796,956 at December 31, 2006. The decrease in working capital and cash and cash equivalents is primarily due to the investment in mineral properties. In addition, the market value of the Company's inventory of gold bullion (1,597 ounces) at December 31, 2007 was $1,307,798 or $1,033,030 above book value as presented in the financial statements. Also included in working capital is a liability arising from the contingent obligation in the event we are unsuccessful in our appeal of assessed additional mineral tax of $379,653 for prior years. On June 22, 2005, a petition was filed on our behalf in the Supreme Court. The matter will proceed to British Columbia Supreme Court. We are waiting for the scheduling of the hearing. We expect our cash resources to be sufficient to meet our working capital and mineral exploration requirements for at least the next year. We have no long-term debt.

Cash used in operations in the fourth quarter of 2007 was $676,353 (2006 - cash from operations - $198,570) after adjusting for non-cash activities. For the year ended December 31, 2007, cash used in operations was $2,228,550 (2006 – $743,843). Significant changes in non-cash items include an increase in income on mineral property options, the gain on deemed partial dilution of the investment in Tarsis and the future income tax recovery. Stock-based compensation, write-down of interests in mineral properties and write-down of marketable securities all decreased during 2007.

During the current quarter, $212,538 was received from the exercise of warrants ($162,437) and stock options ($50,101). $1,114,831 received during the same period of the prior year was from the issuance of shares pursuant to private placements ($1,089,781 net of costs) and the exercise of stock options ($25,050). During the year ended December 31, 2007, $1,097,893 was received from the exercise of stock options ($935,456) and warrants ($162,437). During 2006, $13,949,980 was received from the exercise of warrants ($11,082,959), the issuance of shares pursuant to private placements ($1,968,413) and the exercise of stock options ($898,608).

Cash used for investing activities during the quarter ended December 31, 2007 was $192,340 (2006 - $1,026,358). Significant items include investments of $347,781 made in mineral properties interests (2006 - $1,062,020) including the staking of new claims in Nevada and Utah ($339,330). Cash used for investing activities during the year ended December 31, 2007 was $3,081,539 (2006 - $2,370,231). Significant items include the mineral property deposit of $585,893 for the Matehaupil concession and investments of $2,992,345 made in mineral properties interests (2006 – $2,903,195). The most significant investments were the acquisition of Comaplex's 60% option interest in the Caballo Blanco property in Mexico for $1,462,000 and the final acquisition payment to the original owner of $245,700, the exploration and drilling undertaken at Elk ($913,132) and the staking of new claims in Nevada and Utah ($578,661). Investments in mineral properties interests are net of any proceeds received from option agreements and costs recovered. Attached to this management's discussion and analysis is a schedule of acquisition and deferred exploration expenditures on the Company's primary properties during 2007.

OUTLOOK

Our strong cash position will enable us to continue our exploration efforts in Mexico, the United States and Canada, seeking to identify new projects through early stage grass roots exploration and managing risk by forming joint ventures in which partner companies explore and develop such projects in return for the right to earn an interest in them.

EXPLORATION PROJECTS - CANADA

***Elk* -** During 2007, a total of $913,132 was spent on the property including $298,230 on evaluation which included collection of baseline environmental and socio economic data and $365,814 on a new phase of drilling. An asset retirement obligation consisting of future site reclamation costs of $124,036 was recorded to the property. The amount spent on the evaluation of the project is greater than originally budgeted due to additional geological review which resulted in a much better understanding of the vein structures. The Company has appointed G & T Metallurgical Services Ltd. of Kamloops, BC to carry out ore processing test work on samples from the deposit. Expressions of interest in the project have been received from several parties. An internal scoping study examining the potential for both open-pit and underground mining, along with on-site mineral processing was completed during October 2007. We are currently evaluating the report before making further plans for the project.

Ponderosa – This property was staked and is 100% held by the Company. The property is within the Spences Bridge Group volcanic assembly near Merritt, B.C. During 2007, we entered into an agreement with Strongbow Exploration Inc. ("Strongbow") on terms whereby Strongbow could have earned a 60% interest in the property. Strongbow conducted a first phase drill program on the property. Results have not yet been received and subsequent to year-end, Strongbow relinquished its option on the property. We plan a limited drilling program for 2008.

Skoonka Creek - The Skoonka Creek property was staked by the Company and optioned to Strongbow. During 2006, Strongbow earned a 51% interest in the property. We decided not to participate in this summers work program budgeted at $4,523,509 of which we would have been responsible for $2,306,990. We estimate our interest will be diluted to 32% at the end of this program. Strongbow completed the planned work program on the property. Results have not yet been received. During 2007, $75,880 was spent on exploration which was written off to operations during the year.

Nicoamen River - The Nicoamen River property was staked by the Company and is 100% held. The property was optioned to Tanqueray Resources Ltd. ("Tanqueray") on terms whereby Tanqueray could have earned a 60% interest in the property. During 2007, Tanqueray relinquished its option. Almaden has had an independent qualified person review previous work and recommend an exploration program. Prior to year-end, the Company entered into an agreement with Zenith Industries Corp. ("Zenith"). To earn a 60% interest, Zenith must incur exploration expenditures of $4,000,000 by December 31, 2012 and issue 1,000,000 shares to the Company by December 31, 2010. During 2007, $5,257 was spent on acquisition and exploration of the project which was written off to operations, net of recoveries. The Company has no planned 2008 exploration program with all work being conducted by Zenith.

Merit and Brookmere – These properties were staked and are 100% held. The properties were optioned to Williams Creek Explorations Ltd. ("Williams Creek") on terms whereby Williams Creek can earn a 60% interest in either or both of these properties by spending $4 million on exploration and issuing 1,000,000 shares to Almaden in staged payments over six years. Williams Creek has conducted mapping and surface sampling and geochemical soil surveys on the Brookmere property and has applied for a work permit for drilling on the Merit claims. The Company has no planned 2008 exploration program with all work being conducted by Williams Creek. All costs incurred during 2007 were recovered from Williams Creek.

Rock River Coal – We had 50% interest in a 187,698 acre coal prospect in the Yukon. Due to poor drilling results, these permits were not renewed in 2007.

ATW - The Company has a net 37.5% interest in this diamond property through its 50% ownership of ATW Resources Ltd. Claim maintenance costs incurred were written off to operations. A drill program to obtain till samples is underway.

Tarsis Capital Corp. - The Company acquired and now beneficially owns 3,500,000 common shares, representing, at the time of acquisition, approximately 41% of the issued and outstanding voting securities of Tarsis Capital Corp. ("Tarsis"). The shares are subject to Escrow Restrictions as imposed by the TSX Venture Exchange. The shares were acquired pursuant to the terms of an agreement under which Tarsis acquired the MOR, Cabin Lake, Caribou Creek, Goz Creek, Tim, Meister River, and Erika properties. In addition, a 2% net smelter return royalty is payable to us with regard to minerals produced, saved and sold from the properties. An additional 500,000 common shares of Tarsis will be issued to us if Tarsis enters into an option agreement with an arm's length third party whereby that party agrees to expend a minimum of $500,000 to earn its interest and has incurred expenditures of $200,000 within 24 months of the closing date of the agreement. Tarsis has optioned the Tim claims to a third party which is planning a fall drill program. Prior to December 31, 2007, Tarsis completed a financing which diluted the Company's interest in Tarsis to 30%.

EXPLORATION PROJECTS - MEXICO

Caballo Blanco - Subsequent to reacquiring a 100% interest in the property subject to a sliding scale NSR, a program consisting of surface geochemical surveys and geological work which developed several new drill targets was carried out. We entered into an agreement with Canadian Gold Hunter Corp. ("CGH") whereby CGH can acquire a 70% interest in the property by issuing 1 million shares of CGH to Almaden (received) and making a US$500,000 payment (received), spending US$12.0 million on exploration and funding all costs required for the completion of a bankable feasibility study. A work program which includes geologic mapping, geochemical and geophysical surveys and drilling started late in 2007 and is continuing in 2008. All work is being conducted by CGH.

Yago – During 2007, we entered into an agreement with Consolidated Spire Ventures Ltd. ("Spire") whereby Spire can acquire a 60% interest in the property by issuing 800,000 shares of Spire to Almaden and spending US$3.5 million on exploration. Spire conducted topographic surveys, geological mapping and trenching on several veins. A 3000 metre drill program was halted by the rainy season. The shallow holes drilled all intersected quartz veins. The cost of the program was $516,566. Spires plans a 2008 drill program to focus on the Esperanza, Sarda, Magnolia and Sagitario veins.

San Carlos - During the year ended December 31, 2007, the Company purchased a 2% NSR royalty on the San Jose claim for US$20,000 and 25,000 share purchase warrants exercisable at a price of $3.00 per share for three years. The fair value of the warrant was estimated at $13,000 for a total purchase price of $33,000. The Company spent $77,279 maintaining the claims which was written off to operations. The Company is seeking a new partner for this project.

Santa Isabela and Matehuapil - During the year ended December 31, 2007, the Company was successful in a bid for the government owned Matehuapil mineral concession that adjoins the Santa Isabela property. The Company spent an initial $125,036 on the first installment representing 20% of the purchase price including bonding costs, and put up two bonds, one in the amount of $446,964 representing the four pending installment payments of 20% each to be paid in six month installments starting in January 2008 and one in the amount of $138,929 to cover a 1% NSR royalty. In December 2007, the Company entered into an option agreement with Apex Silver Mines Limited ("Apex") whereby Apex can acquire a 60% interest in the Matehuapil mineral concession by making payments of Mexican peso $3,312,000 by July 10, 2009, being 60% of the purchase payments (Mexican peso $1,324,800 received), and spending US$2.6 million on exploration by December 1, 2013. The Company has no planned 2008 exploration program with all work being conducted by Apex

Viky - The Company optioned this wholly owned project to Apex Silver Mines Limited ("Apex") under terms whereby Apex has an option to earn a 60% interest by spending US$5.6 million on exploration and making cash payments of US$1.35 million to Almaden over 5 years. During the year ended December 31, 2007, the Company received an option payment from Apex of $116,000 cash and incurred $14,655 in exploration costs which were written off to operations, net of recoveries. Apex conducted surface geological mapping, geophysics and sampling. Apex started a drill program in February 2008.

Tuligtic - During the year ended December 31, 2007, the Company terminated the option with Pinnacle Mines Ltd. ("Pinnacle") for non-performance. A new partner is being sought for this project. During the year ended December 31, 2007, the Company incurred costs of $34,697 maintaining the claims of which $32,763 was recovered from Pinnacle and the remainder written off to operations.

Bufa - The Company re-negotiated the option with Lincoln Gold Corporation ("Lincoln"). The Company has no planned 2008 exploration program with all work being conducted by Lincoln. Lincoln commenced a drill program in March 2008.

Nevada and Utah – We have been actively prospecting in Nevada and Utah. This work has resulted in the acquisition of several properties by staking. Exploration work consisting of alteration mapping, geochemical soil surveys and Induced Polarization geophysics is currently underway on these properties. Once this work is completed, a partner will be sought for the projects. During 2007, the Company incurred costs of $578,661 in the acquisition and exploration of the properties.

ADDITIONAL DISCLOSURES

Disclosure controls and procedures and internal controls over financial reporting

As at December 31, 2007, an evaluation was carried out under the supervision of and with the participation of our CEO and CFO of the effectiveness of our disclosure controls and procedures. Based on that evaluation, our officers concluded that as at that date, the design and operation of these disclosure controls and procedures are effective at the reasonable assurance level to ensure that material information relating to the Company and its consolidated subsidiaries would be known to them by others within those entities, particularly during the period in which the management's discussion and analysis and the consolidated financial statements contained in this report were being prepared. Our CEO and CFO have also designed, or have caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. The CEO and CFO have assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2007. Based on this assessment, the Company's CEO and CFO have determined that the Company's internal control over financial reporting is effective as at December 31, 2007.

Contractual commitments

We are committed under an operating lease for our office premises with the following aggregate minimum lease payments to the expiration of the lease on January 31, 2011. We are also committed to making acquisition payments of U.S.$10,000 in 2008 and 2009 for the Gallo de Oro claim. In April 2007 the Company entered into contracts with our CEO and COO for remuneration of $140,000 annually for two years, renewable for two additional successive terms of 2 years. We also entered into an agreement with our CFO and a company controlled by him for a term of one year, renewable for additional successive terms of 12 months for remuneration of $6,000 per month for the first three months and $5,000 per month thereafter. Although we do have government requirements in work and/or taxes to maintain claims held, the decision to keep or abandon such claims is not contractual but at our discretion. All other property option payments on our projects have been assumed by third parties who are earning their interests in the projects. The following table lists the total contractual commitments as at December 31, 2007 for each period.

	2008	2009	2010	2011	Total
Office lease	$48,800	$59,100	$60,100	$5,000	$173,000
Property acquisition	$9,900	$9,900	-	-	$19,800
Executive employment contracts	$280,000	$210,000	-	-	$490,000
Financial services agreement	$51,000	-	-	-	$51,000

Off-balance sheet arrangements

We have no off-balance sheet arrangements other than disclosed above.

Critical accounting estimates

All costs relating to the acquisition, exploration and development of our mineral properties are capitalized and all income from mineral property options is credited against these costs. Should commercial production commence, these cost will be amortized. When a property is abandoned or when there is indication of impairment, all related costs are charged to operations.

The carrying value of our property, plant and equipment is compared to estimated net recoverable amounts and should the carrying value exceed its estimated recoverable amount, all amounts related to the impairment are charged to operations.

Our financial assets and liabilities are cash and cash equivalents, accounts receivable and prepaid expenses, marketable securities, inventory, accounts payable and mineral taxes payable. Other than marketable securities (see Changes in accounting principles below), the fair values of our financial instruments are estimated to be their carrying values due to their short-term nature. Cash and cash equivalents includes short-term money market instruments which, on acquisition, have a term to maturity of three months or less and expose us to minimal risk.

CICA Handbook section 3870 Stock-Based Compensation and Other Stock-Based Payments establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. We determine compensation expense using Black-Scholes Option Pricing Model based on estimated fair values of all stock-based awards at the date of grant and expense such to operations over the vesting period. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Changes in accounting principles

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.

We adopted the new standards effective January 1, 2007. The impact 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 resulted in reporting marketable securities at a fair value of $1,699,597 at December 31, 2006 with an adjustment to increase opening accumulated other comprehensive income by $380,455 as of January 1, 2007.

Accounting policies to be adopted

Financial instrument disclosures

In March 2007, the CICA issued Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation,* which together compromise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements for financial instruments. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 established standards for presentation of financial instruments and on-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classifications of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The Company will implement these disclosures in the first quarter of 2008.

Capital disclosures

In December 2006, the CICA issued Section 1535 of the CICA Handbook, *Capital Disclosures*, which applies to fiscal years beginning on or after October 1, 2007. This section establishes standards for disclosing information about an entity's capital and how it is managed. The Company will implement these disclosures in the first quarter of 2008.

Inventories

In June 2007, the CICA issued Section 3031, *Inventories*, which provides more guidance on the measurement and disclosure requirements for inventories. Specifically the new pronouncement requires inventories to be measured at the lower of cost and net realizable value, and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to the net realizable value. The new pronouncement is effective in the first quarter of 2008, and the new standard is not expected to have a material impact on the Company's results of operations.

Goodwill and intangible assets

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets,* replacing Section 3062, *Goodwill and Other Intangible Assets,* and Section 3450, *Research and Development Costs.* The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This section is effective in the first quarter of 2009, and the Company is currently evaluating the impact of the adoption of this new section on its consolidated financial statements.

Business combinations

The proposed amended recommendations of the CICA for accounting for business combinations will apply to the Company's business combinations, if any, with an acquisition date subsequent to the effective date. Whether the Company would be materially affected by the proposed amended recommendations would depend upon the specific facts of the business combinations, if any. Generally, the proposed recommendations will result in measuring business acquisitions at the fair value of the acquired entities and a prospectively applied shift from a parent company conceptual view of consolidation theory (which results in the parent company recording the book values attributable to non-controlling interests) to an entity conceptual view (which results in the parent company recording the fair values attributable to non-controlling interests).

Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian generally accepted accounting principles (GAAP), as used by public companies, being evolved and converged with International Financial

Reporting Standards (IFRS) over a transitional period currently expected to be complete by 2011. As the International Accounting Standards Board currently has projects underway that should result in new pronouncements and since this Canadian convergence initiative is very much in its infancy as of the date of this management's discussion and analysis, the Company has not yet assessed the impact of the ultimate adoption of IFRS on the Company.

Outstanding share data

Our authorized capital consists of an unlimited number of common shares without par value. As at March 25, 2008, 44,912,038 common shares were outstanding.

During 2007, $162,437 was received from the exercise of warrants and $935,456 from the exercise of stock options. Subsequent to year-end, $282,974 was received from stock option exercises and $250,000 was received pursuant to a private placement financing.

The following table summarizes information about warrants outstanding at March 25, 2008:

Number of warrants	Expiry date	Exercise price
162,500	July 21, 2008	$3.00
25,000	March 20, 2010	$3.00
187,500		

We grant directors, officers, employees and contractors options to purchase common shares under our Stock Option Plan. This plan and its terms are detailed in Note 9(c) to the consolidated financial statements.

On September 7, 2007, we granted 25,000 options to an employee at an exercise price of $2.23 per share expiring on September 7, 2009. On September 12, 2007, 500,000 options were granted to a director at an exercise price of $2.32 per share expiring on September 10, 2012. On November 15, 2007, 100,000 options were granted to an officer at an exercise price of $2.68 per share expiring on November 15, 2012. On December 14, 2007, 50,000 options were granted to an officer at an exercise price of $2.52 per share expiring December 13, 2012.

On March 17, 2008, the Company granted 15,000 options to an employee and 25,000 options to a contractor at an exercise price of $2.35 per share expiring on March 17, 2013.

The following table summarizes information about stock options outstanding at March 25, 2008:

Number of shares	Expiry date	Exercise price
100,000	July 6, 2008	$2.50
527,791	October 7, 2008	$0.45
25,000	September 7, 2009	$2.23
154,000	December 1, 2009	$0.39
806,000	December 14, 2009	$1.67
240,000	June 17, 2010	$1.79
1,795,000	July 6, 2011	$2.50
500,000	September 10, 2012	$2.32
100,000	November 15, 2012	$2.68
50,000	December 13, 2012	$2.52
40,000	March 17, 2012	$2.35
4,337,791		

Related party transactions

During 2007, we recorded administrative, professional and technical services of $315,095 from companies related by common directors or officers (2006 - $388,189). A company with a common officer holds 25,000 warrants of the Company. We have investments in two companies which had optioned properties from us with which we have one director in common. Accounts receivable at December 31, 2007 included $49,863 owing from these related companies (2006 - $2,348) and accounts payable included $7,300 due to these related companies (2006 - $20,700).

Proposed transactions
The Company has no proposed transactions at this time.

Trends
Mineral exploration has been cyclical and the industry is currently very active spurred on by high metal prices and the volume of demand based mainly on activity in Asia. In earlier periods, the need for new projects was largely filled with divestment of properties owned and developed by state owned organizations and companies grew through mergers or acquisitions. There are fewer such opportunities remaining; as such there is demand from both junior and larger companies for advanced mineral properties to develop. At the same time, environmental groups have successfully lobbied for more wilderness areas and parks where exploration and mining activities are not permitted. Native groups are actively pursuing land claims and there is a rise of militant national and religious groups in many parts of the world. These issues tend to restrict the areas where mineral exploration and development of new mines can occur. This should make areas permissive to exploration more attractive. At the same time, there is a shortage of experienced explorationists. With current high metal prices and increasing demand, especially from Asia, supply difficulties may occur in the future and there is a discernible need for good exploration projects based on sound geological work.

Risks and uncertainties

In our focus on the acquisition, exploration and development of mineral properties, we are subject to a number of risks and uncertainties, the more significant of which are discussed below. Additional risks and uncertainties not presently known to us may impact our future financial results.

Industry
We are engaged in the exploration of mineral properties, an inherently risky business. There is no assurance that a mineral deposit will ever be discovered and economically produced. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

Reserve and mineralization estimates
The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated.

Gold and metal prices
The price of gold is affected by numerous factors beyond our control including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that we may explore all have the same or similar price risk factors.

Cash flows and additional funding requirements
We currently have no revenue from operations. If any of our exploration programs are successful and optionees of properties complete their earn-in, we would have to provide our share of ongoing exploration and development costs in order to maintain our interest or be reduced to a royalty interest. Additional capital would be required to put a property into commercial production. The sources of funds currently available to us are the sale of our inventory of gold, marketable securities, equity capital or the offering of an interest in our projects to another party. We currently have sufficient financial resources to undertake all of our planned exploration programs.

Exchange rate fluctuations
Fluctuations in currency exchange rates, principally the Canadian/U.S. dollar exchange rate, can impact cash flows. The exchange rate has varied substantially over time. Most of the Company's exploration expenses in Mexico are denominated in U.S. dollars. Fluctuations in exchange rates may give rise to foreign currency exposure, either favourable or unfavourable, which will impact financial results. The Company does not engage in currency hedging to offset any risk of exchange rate fluctuation.

Environmental
Almaden's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation-related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all

future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures.

Laws and regulations
Our exploration activities are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which we operate. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. We apply the expertise of our management, advisors, employees and contractors to ensure compliance with current laws and rely on our land man in Mexico and legal counsel in both Mexico and the United States.

Title to mineral properties
While we have investigated title to our mineral properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Unresolved native land claim issues in Canada may affect our properties in this jurisdiction in the future.

Possible Dilution to Present and Prospective Shareholders
Our plan of operation, in part, contemplates the financing of our business by the issuance of securities and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. We usually seek joint venture partners to fund in whole or in part exploration projects. This dilutes our interest in properties. This dilution is done to spread or minimize the risk and to expose the us to more exploration plays but means that any profit that might result from a possible discovery would be shared with the joint venture partner and there is no guarantee that we can find a joint venture partner for any property.

Material Risk of Dilution Presented by Large Number of Outstanding Share Purchase Options and Warrants
At March 25, 2008 there were 4,337,791 stock options and 187,500 warrants outstanding. Directors and officers hold 4,017,791 of the options. 320,000 are held by employees and consultants of the Company. Directors and officers also hold 17,500 of the outstanding warrants.

Trading Volume
The relatively low trading volume of our shares reduces the liquidity of an investment in our shares.

Volatility of Share Price
Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of our shares.

Competition
There is competition from other mining exploration companies with operations similar to ours. Many of the companies with which we compete have operations and financial strength greater than ours.

Dependence on management
We depend heavily on the business and technical expertise of our management.

Conflict of Interest
Some of our directors and officers are directors and officers of other natural resource or mining-related companies. These associations may give rise from time to time to conflicts of interest. As a result of such conflict, we may miss the opportunity to participate in certain transactions.

Forward looking statements
Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.