

**ALMADEN
MINERALS LTD.**
(An exploration stage company)

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

**Consolidated Financial Statements of
Almaden Minerals Ltd.**

3rd Quarter Ended September 30, 2008

**NOTICE OF NO AUDITOR REVIEW OF INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim financial statements of Almaden Minerals Ltd. for the nine months ended September 30, 2008 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

Almaden Minerals Ltd.
(An exploration stage company)
Consolidated balance sheets

	September 30, 2008 <u>(unaudited)</u>	December 31, 2007 <u>(audited)</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 13,099,746	\$ 14,548,760
Accounts receivable and prepaid expenses	203,366	528,095
Marketable securities (Note 3)	964,457	2,646,959
Inventory (Note 4)	274,768	274,768
Total current assets	14,542,337	17,998,582
Property, plant and equipment (Note 5)	970,362	1,045,100
Investment (Note 6)	1,546,740	1,409,929
Reclamation deposit	81,500	81,500
Mineral property deposit (Note 7 (k) (iv))	138,929	585,893
Mineral properties (Note 7)	8,302,052	6,848,635
Total assets	\$ 25,581,920	\$ 27,969,639
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 395,198	\$ 203,797
Mineral taxes payable (Note 12)	379,653	379,653
Total current liabilities	774,851	583,450
Asset retirement obligation (Note 9)	127,911	124,036
Total liabilities	902,762	707,486
Shareholders' Equity		
Share capital		
Authorized		
Unlimited number of common shares without par value		
Issued (Note 8)		
45,236,409 shares – September 30, 2008		
44,469,638 shares – December 31, 2007	49,030,412	48,226,402
Contributed surplus	4,328,824	4,322,284
Accumulated other comprehensive income	(1,624,575)	(828,479)
Deficit accumulated during the exploration stage	(27,055,503)	(24,458,054)
Total shareholders' equity	24,679,158	27,262,153
Total liabilities and shareholders' equity	\$ 25,581,920	\$ 27,969,639

On behalf of the Board

“Duane Poliquin”

Duane Poliquin, Director

“Donald M. Lorimer”

Donald M. Lorimer, Director

Almaden Minerals Ltd.

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Consolidated statements of loss

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Revenue				
Interest income	\$ 113,321	\$ 161,495	\$ 323,233	\$ 484,951
Other income (expense)	(193,233)	-	154,802	131,123
	(79,912)	161,495	478,035	616,074
Expenses				
General and administrative expenses (Schedule 1)	279,905	298,173	892,421	1,013,220
General exploration expenses	189,556	258,136	963,628	1,083,688
Write-down of interests in mineral properties	628,405	361,264	1,066,960	576,190
Stock option compensation	36,400	585,000	141,000	585,000
	1,134,266	1,502,573	3,064,009	3,258,098
	(1,214,178)	(1,341,078)	(2,585,974)	(2,642,024)
Loss on equity investment (Note 6)	(26,708)	(111,030)	(80,688)	(111,030)
Income on mineral property options	239,916	1,038,287	339,565	1,398,034
(Loss) gain on sale of securities	-	1,500	(211,078)	340,981
Loss on sale of property, plant and equipment	-	(90,613)	(325)	(90,613)
Foreign exchange gain (loss)	20,354	(96,718)	51,776	(284,080)
	(980,616)	(599,652)	(2,486,724)	(1,388,732)
Income tax (expense) recovery	(36,479)	-	(110,725)	642,600
Net loss	(1,017,095)	(599,652)	(2,597,449)	(746,132)
Net loss per share				
Basic and diluted	\$ (0.03)	(0.02)	(0.06)	\$ (0.02)
Basic and diluted weighted average number of shares outstanding	44,964,925	44,371,156	44,851,684	44,136,021

Almaden Minerals Ltd.

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Consolidated statements of comprehensive income

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Net loss	\$ (1,017,095)	\$ (599,652)	\$ (2,597,449)	\$ (746,132)
Unrealized gains and losses on available-for-sale financial assets arising during the period	(1,181,622)	(302,945)	(1,002,732)	(46,631)
Reclassification adjustment for gains and losses included in net income (loss)	715	(1,500)	206,636	(329,513)
Other comprehensive income	(1,180,907)	(304,445)	(796,096)	(376,144)
Comprehensive income (loss)	\$ (2,198,002)	\$ (904,097)	\$ (3,393,545)	\$ (1,122,276)

Almaden Minerals Ltd.

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Consolidated statements of shareholders' equity

(unaudited)

	Share capital		Contributed surplus	Accumulated other comprehensive income (loss) ("AOCI")	Deficit accumulated during exploration stage	Total AOCI and deficit	Total
	Shares	Amount		Gains (losses) on available for sale securities			
		\$	\$	\$	\$	\$	\$
Balance at January 1, 2007	43,624,255	46,655,822	4,081,471	380,455	(22,766,634)	(22,386,179)	28,351,114
Net loss	-	-	-	-	(1,048,820)	(1,048,820)	(1,048,820)
Comprehensive income (loss)	-	-	-	(1,208,934)	-	(1,208,934)	(1,208,934)
Stock option compensation	-	-	700,500	-	-	-	700,500
Fair value of warrants granted	-	-	13,000	-	-	-	13,000
For cash on exercise of share purchase warrants (including transfer from contributed surplus of \$29,713)	58,591	192,150	(29,713)	-	-	-	162,437
For cash on exercise of stock options (including transfer from contributed surplus of \$442,974)	786,792	1,378,430	(442,974)	-	-	-	935,456
Renouncement of tax deductibility relating to flow-through shares	-	-	-	-	(642,600)	(642,600)	(642,600)
Balance, December 31, 2007	44,469,638	48,226,402	4,322,284	(828,479)	(24,458,054)	(25,286,533)	27,262,153
Net loss	-	-	-	-	(2,597,449)	(2,597,449)	(2,597,449)
Comprehensive income (loss)	-	-	-	(796,096)	-	(796,096)	(796,096)
Stock option compensation	-	-	141,000	-	-	-	141,000
For cash pursuant to private placements	103,500	240,878	-	-	-	-	240,878
For cash on exercise of stock options (including transfer from contributed surplus of \$134,460)	663,271	563,132	(134,460)	-	-	-	428,672
Balance, September 30, 2008	45,236,409	49,030,412	4,328,824	(1,624,575)	(27,055,503)	(28,680,078)	24,679,158

Almaden Minerals Ltd.

(An exploration stage company)

Consolidated statements of cash flows (unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
Operating activities				
Net loss	\$ (1,017,095)	\$ (599,652)	\$ (2,597,449)	\$ (746,132)
Items not affecting cash				
Future income tax recovery	-	-	-	(642,600)
Loss on equity investment	26,708	111,030	80,688	111,030
Depreciation	54,517	54,590	159,975	164,395
(Loss) gain on sale of securities	(20)	(1,500)	211,078	(326,938)
Write-down of interests in mineral properties	600,183	361,264	1,066,960	576,190
Income on mineral property options	(239,916)	(1,038,287)	(339,565)	(1,398,034)
Stock-option compensation	36,400	585,000	141,000	585,000
Loss on sale of property, plant and equipment	-	90,613	325	90,613
Change in non-cash working capital components				
Accounts receivable and prepaid expenses	360,100	988,805	324,729	(33,000)
Accounts payable and accrued liabilities	(117,183)	253,005	191,401	67,279
	(296,306)	804,868	(760,858)	(1,552,197)
Financing activities				
Issuance of shares - net of share issue costs	145,967	242,000	669,550	885,355
Investing activities				
Mineral property deposit	446,964	-	446,964	(585,893)
Reclamation deposit	-	-	-	(5,000)
Marketable securities				
Purchases	-	-	(95,331)	(16,500)
Net proceeds	-	3,601	939,618	452,096
Property, plant and equipment				
Purchases	(18,663)	(46,306)	(107,608)	(155,058)
Proceeds	-	65,720	22,046	65,720
Mineral properties				
Costs	(1,051,592)	(815,653)	(2,763,433)	(3,290,564)
Proceeds	68,889	-	200,038	646,000
	(554,402)	(792,638)	(1,357,706)	(2,889,199)
Net cash (outflow) inflow	(704,741)	254,230	(1,449,014)	(3,556,041)
Cash and cash equivalents, beginning of period	13,804,487	14,986,685	14,548,760	18,796,956
Cash and cash equivalents, end of period	\$ 13,099,746	\$ 15,240,915	\$ 13,099,746	\$ 15,240,915

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Notes to consolidated financial statements

September 30, 2008

(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 audited consolidated financial statements for the year ended December 31, 2007 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, 2007 audited financial statements.

2. Changes in accounting policy

On January 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections. There was no material impact on the Company's financial condition or operating results as a result of the adoption of these new standards:

- (a) Section 3862 – Financial Instruments – Disclosures, which replaces Section 3861 and provides expanded disclosure requirements that provide additional detail by financial asset and liability categories (see Note 13).
- (b) Section 3863 – Financial Instruments – Presentation, to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows (see Note 13).
- (c) Section 1535 – Capital Disclosures, which establishes standards for disclosing information about an entity's capital and how it is managed (see Note 14). Under this standard, the Company will be required to disclose the following, based on the information internally, to the Company's key management personnel:
 - qualitative information about its objectives, policies and processes for managing capital;
 - summary quantitative data about what it manages as capital;
 - whether during the period it complied with any externally imposed capital requirement to which it is subject; and
 - when the Company has not complied with such externally imposed capital requirements, the consequences of such non-compliance.

3. Marketable securities

Marketable securities consist of equity securities which, beginning in 2007, are designated as available for sale and valued at fair market value. Unrealized gains and losses due to period end revaluation to fair market value are recorded as other comprehensive income or loss.

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4. 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 September 30, 2008 was \$1,446,543. (December 31, 2007-\$1,307,798).

5. Property, plant and equipment

	September 30, 2008		December 31, 2007	
	Cost	Accumulated depreciation	Net book value	Net book value
Automotive equipment	\$ 371,015	\$ 199,922	\$ 171,093	\$ 186,226
Furniture and fixtures	130,400	105,950	24,450	28,765
Computer hardware	258,428	186,053	72,375	54,700
Computer software	80,455	39,822	40,633	23,286
Geological data library	65,106	45,234	19,872	23,378
Field equipment	331,950	194,037	137,913	162,251
Mill equipment	323,264	-	323,264	323,264
Leasehold improvements	27,181	16,856	10,325	14,403
Drill equipment	397,270	226,833	170,437	228,827
	<u>\$ 1,985,069</u>	<u>\$ 1,014,707</u>	<u>\$ 970,362</u>	<u>\$ 1,045,100</u>

At September 30, 2008 the mill equipment was not in use. Depreciation will be charged once the equipment is put into use.

6. Investment

On July 23, 2007, the Company sold interests in certain mineral exploration properties located in the Yukon Territory and Mexico for a total of 3,500,000 common shares of Tarsis Capital Corp. ("Tarsis") resulting in a gain on sale of \$969,314 and the recording of an initial investment in Tarsis in the amount of \$1,120,000. In addition, Almaden retained a net smelter royalty equal to 2% of all metals discovered on the properties. During the current period Almaden received 500,000 common shares of Tarsis when one of the properties became subject to 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.

In December 2007, Almaden's interest in Tarsis was diluted from an initial 41% to 30%. In the quarter ended September 30, 2008, Almaden's interest in Tarsis increased from 30% to 33.2%.

Almaden has one Director and two Officers in common with Tarsis. Almaden is accounting for this investment following the equity accounting method for investments where significant influence exists. As such, Almaden has recorded its equity share of Tarsis' loss of \$80,688 during the nine months ended September 30, 2008.

The fair market value of the investment at September 30, 2008 was \$410,000 (December 31, 2007 - \$2,100,000).

During the nine months ended September 30, 2008, the Company charged Tarsis \$66,302 for office rent and various expenses.

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7. Mineral properties

	September 30, 2008	December 31, 2007
<i>Canada</i>		
Elk 100% interest in mineral claims in British Columbia which includes the Siwash gold deposit	\$ 5,906,322	\$ 5,650,867
ATW Net 57.7% interest in mineral claims near Lac De Gras, Northwest Territories	468,031	100,000
Merit 100% interest in mineral claims in British Columbia Nicoamen River	21,882	45,882
100% interest in mineral claims in British Columbia Skoonka Creek	25,450	42,264
32% interest in mineral claims in British Columbia	1	1
<i>Mexico</i>		
Caballo Blanco 100% interest in mineral claims in Veracruz State	56,341	1
Viky 100% interest in mineral claims in Coahuila State	21,528	114,918
Tuligtic 100% interest in mineral claims in Puebla State	253,103	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	215,083	77,720
Yago 100% interest in mineral claims in Nayarit State	1	1
Caldera 100% interest in mineral claims in Puebla State	252,742	17,040
<i>Interests in various other mineral claims</i>	1,081,567	678,918
	\$ 8,302,052	\$ 6,848,635

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(unaudited)

7. Mineral properties (continued)

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

(a) *Elk*

The Company acquired a 100% interest in the Elk Mine in southern British Columbia by staking. The Company processed ore from the Siwash Vein in the mid-1990's on a bulk sampling basis. A NI 43-101 resource was calculated for the property in December, 2007.

(b) *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 also 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 2003, the Company entered into an agreement with Comaplex Minerals Corp. ("Comaplex"). To earn a 60% interest, Comaplex had to keep the property in good standing and incur exploration expenditures totalling US\$2,000,000. During 2006, Comaplex completed earn-in requirements. During 2007, the Company acquired Comaplex's 60% interest for US\$1,250,000 and entered into an agreement with Canadian Gold Hunter Corp. ("CGH"). To earn a 70% interest, CGH must make a US\$500,000 payment upon signing a formal agreement (received), issue 1,000,000 shares to the Company (received) 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.

(c) *Viky*

The Company acquired a 100% interest in the Viky property by staking and purchased interests in three additional mineral claims. During 2007, the Company entered into an agreement with Apex Silver Mines Limited ("Apex"). To earn a 60% interest, Apex had to incur exploration expenditures of US\$5,600,000 and make cash payments of US\$1,350,000 to the Company over six years. During the quarter ended September 30, 2008, Apex abandoned its interest in the property.

(d) *Tuligtic*

The Company acquired a 100% interest in the Tuligtic property by staking. During 2007, the Company entered into an agreement with Pinnacle Mines Ltd. ("Pinnacle"). To earn a 60% interest, Pinnacle had to incur exploration expenditures of US\$6,000,000 and issue 1,000,000 shares to the Company by August 9, 2012. During 2007, Pinnacle failed to meet their commitments and the Company terminated the agreement.

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(unaudited)

7. Mineral properties (continued)

(e) *Fuego*

The Company acquired a 100% interest in the Fuego claim by staking. During 2004, the Company entered into an agreement with Horseshoe Gold Mining Inc. ("Horseshoe"). To earn a 60% interest, Horseshoe had to maintain the property in good standing, incur exploration expenditures totalling US\$3,000,000 and issue 1,000,000 shares to the Company by December 31, 2008 (amended). During 2007, Horseshoe abandoned its interest in the property.

(f) *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 2007, the Company purchased the NSR for US\$20,000 and issued 25,000 share purchase warrants for a term of three years exercisable at a price of \$3.00 per share.

(g) *Yago*

The Company acquired a 100% interest in the Tepic claim by staking and purchased a 100% interest in the La Sarda, Guadalupe and Sagitario claims.

During 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.

(h) *Merit and Brookmere*

The Company acquired a 100% interest in the Merit and Brookmere properties by staking. During 2006, the Company entered into an agreement with Williams Creek Explorations Limited ("Williams Creek"). To earn a 60% interest in either or both of these properties, Williams Creek must incur exploration expenditures of \$4,000,000 and issue 1,000,000 shares to the Company by December 31, 2012. During the quarter ended September 30, 2008, Williams Creek abandoned its interest in the Brookmere property.

(i) *Nicoamen River*

The Company acquired a 100% interest in the Nicoamen River property by staking. During 2006, the Company entered into an agreement with Tanqueray Resources Ltd. ("Tanqueray"). To earn a 60% interest, Tanqueray had to incur exploration expenditures of \$4,000,000 and issue 1,000,000 shares to the Company by December 31, 2012. During 2007, Tanqueray abandoned its interest in the property.

During 2007, the Company entered into an agreement with Zenith Industries Corp. ("Zenith"). To earn a 60% interest, Zenith has to incur exploration expenditures of \$4,000,000 by December 31, 2012 and issue

1,000,000 shares to the Company by December 31, 2010.

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September 30, 2008

(unaudited)

7. Mineral properties (continued)

(j) *Skoonka Creek*

The Company acquired a 100% interest in the Skoonka Creek property by staking. During 2005, the Company entered into an agreement with Strongbow Exploration Inc. ("Strongbow"). To earn a 51% interest, Strongbow incurred exploration expenditures of \$2,000,000 and issued 600,000 shares to the Company. During 2007, the Company decided not to participate in the summer work program and estimates its interest was diluted to 32% at the end of the program.

(k) *Other*

(i) *Bufa*

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"). 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 (amended).

(ii) *Campanario*

The Company acquired a 100% interest in the Campanario claim by staking. During 2005, the Company entered into an agreement with Consolidated Spire Ventures Ltd. ("Spire"). To earn a 60% interest, Spire had to incur exploration expenditures of \$3,500,000 and issue 700,000 shares to the Company by October 31, 2011. During 2007, Spire abandoned its interest in the property.

(iii) *Gallo de Oro*

During 2007, the Company acquired a 100% interest in As de Oro claim for US\$50,000. During 2006, the Company entered into an agreement to acquire a 100% interest in Gallo de Oro claim. To earn its interest, the Company must pay US\$50,000 by October 30, 2009. At September 30, 2008, US\$30,000 of this obligation had been paid.

(iv) *Matehuapil*

During 2007, the Company was successful in its bid to acquire a 100% interest in the Matehuapil claim. An initial payment of \$117,572, representing 20% of the purchase price, was paid. The Company was required to put up two bonds ("Mineral property deposit"), one in the amount of \$446,964 representing four pending instalment payments of 20% each to be paid in six month instalments from the issuance of title and one in the amount of \$138,929 to pay for the purchase of an NSR royalty. The Company subsequently entered into an agreement with Apex Silver Mines Limited ("Apex"). To earn a 60% interest, Apex must incur exploration expenditures of US\$2,600,000 by December 1, 2013 and make cash payments of Mexican pesos \$3,312,000 by July 10, 2009. During the quarter ended September 30, 2008, the Company paid the remainder of the purchase price outright. The bond in the amount of \$446,964 was returned to the Company.

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Notes to consolidated financial statements

September 30, 2008

(unaudited)

7. Mineral properties (continued)

(v) Ponderosa

The Company acquired a 100% interest in the Ponderosa property by staking. During 2007, the Company entered into an agreement with Strongbow Exploration Inc. ("Strongbow"). To earn a 60% interest, Strongbow had to incur exploration expenditures of \$4,000,000 and issue 1,050,000 shares to the Company by January 10, 2012. During the nine months ended September 30, 2008, Strongbow abandoned its interest in the property.

(k) Other

(vi) 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. During 2007, JOGMEC withdrew from all joint venture activities.

8. Share capital

(a) Details of private placement issues of common shares in 2008 were as follows:

The Company issued 100,000 flow-through shares on March 6, 2008 on a private placement basis at a price of \$2.50 per share, after incurring issue costs of \$17,872. 3,500 non-flow-through common shares were issued to a finder in respect of this placement.

(b) Warrants

	Number of warrants	Expiry date	Exercise price range \$
Outstanding, December 31, 2007	187,500	July 21, 2008 to March 20, 2010	3.00
Expired	(162,500)	-	3.00
Outstanding, September 30, 2008	25,000	March 20, 2010	3.00

The fair value of the warrants issued March 20, 2007 was estimated at \$13,000 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%.

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8. Share capital (continued)

At September 30, 2008 the following share purchase warrants were outstanding:

Number of Warrants	Expiry Date	Exercise Price Range
		\$
25,000	March 20, 2010	3.00

(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 issued and outstanding common shares in any twelve month period. At September 30, 2008, the Company had reserved 470,220 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. All options granted during the nine months ended September 30, 2008 vested on the date granted. 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, 2007 and September 30, 2008 and changes during the period:

Fixed options	Shares	Weighted average exercise price
Outstanding at December 31, 2006	4,798,483	\$ 1.70
Granted	675,000	2.38
Exercised	(786,792)	1.19
Expired	(50,000)	2.92
Outstanding at December 31, 2007	4,636,691	\$ 1.88
Granted	180,000	1.35
Exercised	(663,271)	0.65
Expired	(100,000)	2.50
Outstanding at September 30, 2008	4,053,420	\$ 2.04

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8. Share capital (continued)

The following table summarizes information about stock options outstanding at September 30, 2008:

Number of shares	Expiry date	Options outstanding and exercisable	
			Exercise price
			\$
203,420	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
140,000	September 15, 2010		1.07
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, 2013		2.35
4,053,420			

The weighted average grant date fair value of 25,000 stock options granted on September 7, 2007 was \$0.60. The fair value of these options were determined on the date of the granted using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 4.25%; expected life of 1.5 years; expected volatility of 40.88%; and expected dividends of \$Nil.

The weighted average grant date fair value of 500,000 stock options granted on September 12, 2007 was \$1.14. The fair value of these options were determined on the date of the granted using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 4.26%; expected life of 5 years; expected volatility of 50.96%; and expected dividends of \$Nil.

The weighted average grant date fair value of 100,000 stock options granted on November 15, 2007 was \$1.30. The fair value of these options were determined on the date of the granted using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 4.05%; expected life of 5 years; expected volatility of 49.76%; and expected dividends of \$Nil.

The weighted average grant date fair value of 50,000 stock options granted on December 14, 2007 was \$1.01. The fair value of these options were determined on the date of the granted using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 3.86%; expected life of 4 years; expected volatility of 48.76%; and expected dividends of \$Nil.

The weighted average grant date fair value of 40,000 stock options granted on March 17, 2008 was \$0.99. The fair value of these options were determined on the date of the granted using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 2.98%; expected life of 4 years; expected volatility of 43.60%; and expected dividends of \$Nil.

Almaden Minerals Ltd.

(An exploration stage company)

Notes to consolidated financial statements

September 30, 2008

(unaudited)

8. Share capital (continued)

The weighted average grant date fair value of 140,000 stock options granted on September 15, 2008 was \$0.26. The fair value of these options were determined on the date of the granted using the Black-Scholes option pricing model with the following weighted average assumptions: risk free interest rate of 2.76%; expected life of 1.5 years; expected volatility of 43.93%; and expected dividends of \$Nil.

9. Asset retirement obligation

The Company's asset retirement obligation consists of reclamation costs for the Siwash gold deposit on the Elk property in British Columbia. The present value of the estimated obligation is \$127,911 (December 31, 2007 - \$124,036) which is estimated to be settled in 4.25 years at the earliest. The estimated total undiscounted amount to settle the asset retirement obligation is \$152,073. This amount has been discounted using a credit-adjusted risk-free interest rate of 4.16 percent

10. 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 \$105,000 (2007 - \$105,000) for technical services and \$12,275 (2007 - \$24,912) for general and administrative services during the nine months ended September 30, 2008.

A company controlled by an officer of the Company was paid \$46,000 (2007 - \$NIL) for professional services rendered during the nine months ended September 30, 2008.

An officer of the Company was paid \$37,406 (2007 - \$101,423) for technical services rendered during the nine months ended September 30, 2008.

A company with a common officer holds 25,000 warrants of the Company.

The Company has an investment in a company which has optioned properties from the Company which have one director in common with the Company.

Accounts payable at September 30, 2008 included \$5,250 (2007 - \$1,350) due to related parties.

Almaden Minerals Ltd.

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Notes to consolidated financial statements

September 30, 2008

(unaudited)

11. Supplemental cash flow information

Supplemental information regarding non-cash transactions is as follows:

	September 30, 2008	December 31, 2007
	\$	\$
Fair value of common shares issued as finder's fee	8,750	-
Reversal of contributed surplus on exercise of options	134,460	442,974
Reversal of contributed surplus on exercise of warrants	-	29,713
Fair value of warrants upon completion of private placement	-	13,000
Sale of mineral properties for common shares of investee	-	1,120,000

12. Commitments and contingencies

- (a) The Company was assessed additional mineral tax of \$197,233 plus interest of \$84,638 by the British Columbia Ministry of Energy and Mines (the "Ministry"). The assessment relates to the deductibility of certain expenditures incurred between February 1, 1995 and January 31, 1997. While management intends to defend its position, the outcome of this issue is uncertain. Currently, the Company is appealing the Ministry's decision and the matter will proceed to British Columbia Supreme Court. A hearing date was arranged for October 28, 2008 but due to court scheduling issues, is being reset for a date in January 2009. In order to reduce the exposure to interest charges, the Company paid and expensed \$281,871, however, this amount will be refunded with interest if the Company is successful in defending its position.

In addition, should the Company be unsuccessful in defending its position, approximately \$353,000 will be payable in respect of gold sales in fiscal 2000 to 2002. The Company has provided for the liability arising from the assessment. Any recovery will be credited to operations when it is received as the liability is extinguished.

- (b) The Company has, in the normal course of business, entered into various long-term contracts which include commitments for future operating payments for the rental of premises as follows:

	\$
2008	12,200
2009	59,130
2010	60,070
2011	5,000
Thereafter	-
	<u>136,400</u>

Almaden Minerals Ltd.

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Notes to consolidated financial statements

September 30, 2008

(unaudited)

12. Commitments and contingencies (continued)

- (c) During 2007, the Company entered into Executive Employment Contracts with the Chief Executive Officer and Chief Operating Officer for remuneration of \$140,000 annually for two years, renewable for two additional successive terms of 24 months. These contracts are expected to be renewed.
- (d) During 2007, the Company entered into a Financial, Administrative and Executive Services Agreement with its Chief Financial Officer 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. This agreement is expected to be renewed.

13. Financial instruments

The fair values of the Company's cash and cash equivalents, short-term investments and interest receivable, GST and VAT receivable, prepaid expenses and deposits and accounts payables and accrued liabilities approximate their carrying values.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

(a) Currency risk

The Company's property interests in Mexico and the United States make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks.

(b) Credit risk

The Company's cash and short-term investments are held in large Canadian financial institutions. Short-term investments are composed of financial instruments issued by Canadian banks. These investments mature at various dates over the current operation period. The Company does not have any asset-backed commercial paper in its short-term investments. The Company's GST and VAT receivable consists primarily of goods and services tax due from the federal government of Canada and value-added tax due from the government of Mexico.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

Almaden Minerals Ltd.

(An exploration stage company)

Note to consolidated financial statements

September 30, 2008

(unaudited)

13. Financial Instruments (continued)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of the short-term investments is limited because these investments, although available for sale, are generally held to maturity.

(e) Commodity price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company has not hedged any of its potential future gold sales. The Company's input costs are also affected by the price of fuel. The Company monitors gold and fuel prices to determine the appropriate course of action to be taken by the Company.

14. Management of capital risk

The Company manages its cash and cash equivalents, common shares, stock options and warrants as capital (see Note 8). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

15. Subsequent event

Subsequent to September 30, 2008, the Company entered into a private placement financing of 86,000 units at a price of \$0.70 per unit. Each unit consists of one flow-through share and one non-flow-through warrant entitling the holder to purchase one additional common share at a price of \$1.00 per share for one year from the closing. This financing is subject to regulatory approval.

ALMADEN MINERALS LTD.

(An exploration stage company)

Consolidated schedule of general and administrative expenses

(unaudited)

	Nine months ended September 30,	
	2008	2007
Depreciation	\$ 159,975	\$ 164,395
Insurance	83,978	62,732
Office and licenses	202,116	265,310
Professional fees	124,351	123,868
Regulatory compliance	21,635	37,143
Rent	74,008	107,857
Stock exchange fees	65,597	51,894
Transfer agent fees	14,718	12,244
Travel and promotion	146,043	187,777
	<hr/>	<hr/>
	\$ 892,421	\$ 1,013,220
