

ALMADEN MINERALS LTD.

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Report to Shareholder's – Third Quarter ended September 30, 2002

November 28, 2002

Dear Shareholders:

Good progress was achieved on a number of our projects during the third quarter.

Ascot Resources Ltd. carried out mapping and initiated drilling on our Yago gold property in Mexico. An induced polarization survey was carried out which found several strong resistivity anomalies associated with known vein structures and which extended these structures beyond known limits. Drilling was commenced and then suspended due to weather conditions and it is planned to resume later in the year.

On our Tropic copper-platinum-palladium-gold property near Mazatlan, Mexico, further drilling funded by Sumitomo Metal Mining Co. Ltd. was completed. Results are expected shortly.

A May program of mapping and sampling old re-opened underground workings carried out by Aurcana Corporation identified high grade copper-gold skarn mineralization on our San Carlos property in Tamaulipas, Mexico. A new work program including mapping, sampling, geophysical surveys and drilling is now being carried out .

In September, Noranda Exploracion Mexico, S.A. de C.V. terminated it's option on our Caballo Blanco copper-gold project in Mexico. Noranda's effort was focussed on finding a porphyry style copper deposit but was unsuccessful in identifying significant copper mineralization. As a result, we are writing down our investment in the property. Nevertheless, the gold potential of the property remains largely intact and Noranda's last hole bottomed in significant gold values. Further joint venture partners will be sought to fund gold exploration.

Ross River Minerals Inc. has an option on our Ram gold project in the Yukon. Limited drilling during the past quarter did not yield any significant values. However "trenching and mapping, carried out by Ross River Gold Ltd. in 2002, of alteration and extensive quartz-sulphide veining, containing gold, as well as the occurrence of widespread float over 0.4 g/t gold with grades up to 27.63 g/t gold provides indications of a large mineralized system" on Ross River's Tay-LP claims and the Ram claims. Further work is planned for 2003.

During the quarter, a C\$350,000 program consisting mainly of drilling was carried out on our Siwash gold project east of Merritt, BC, with most drilling focussed on the Siwash North and WD veins. A total of 5012 metres of drilling were completed. This program was funded by Wheaton River Minerals Ltd. who earned a 10% interest in the property which was subsequently converted to 388,339 shares of Almaden. Results are still being compiled and will be released soon.

Subsequently to the end of the quarter, the highly prospective Galeana gold property in Mexico with historic (pre-1910) high grade production was dealt to Grid Capital Corporation on terms whereby they may earn a total 60% interest in the property with stock payments of 1,000,000 shares and US\$2,000,000 in work expenditures.

Geochemical soil surveys, prospecting and trenching were conducted on the new (Fall 2001) PV gold property near Merritt, BC during September and October 2002. This work has not yet found the source of epithermal vein float under deep overburden.

A joint venture with BHP Billiton to explore a highly prospective area in Mexico for copper and gold is now underway, using grass roots exploration techniques to identify new geologic targets in the selected area. Initial field reconnaissance is helicopter supported and this will be complete in early 2003, with detailed follow up on any targets found.

2002 has been an exciting year so far with drilling have been or being carried out on five of our properties funded by others.

Thank you for your interest and support. I wish you all a happy holiday season and a successful 2003.

Almaden Minerals Ltd. is listed on The Toronto Stock Exchange – symbol AMM.

On behalf of the Board,
“Duane Poliquin”
Duane Poliquin, President

Financial Results

For the nine month period ended September 30, 2002, the Company incurred a net loss of \$2,474,421 (\$0.13 per share) compared to a net loss of \$380,324 (\$0.03 per share) for the nine month period ended September 30, 2001. The results for the current period reflect the activity of the newly amalgamated company whereas the results for the comparative period reflect the activity of Almaden Resources Corporation.

During the nine month period ended September 30, 2002, expenses were \$2,931,933 compared to \$245,799 during the nine month period ended September 30, 2001. The increase in expenses for the nine month period relative to last year is mostly attributable to the \$2 million write-down of the Company's Caballo Blanco property in Mexico. The increase in general and administrative expenses is mostly due to the cost of amalgamation and administrative changes in Mexico. General exploration was more active and as a result increased during the current period. Also included in the current period is the cost of gold sold of \$172,020 for proceeds of \$493,360.

The increase in revenue during the nine month period ended September 30, 2002 as compared to the nine month period ended September 30, 2001 is due to gold sales during the current period and proceeds from its Ram mineral property over its deferred costs..

During the current period, loss on the write-down of common shares held by the Company to market value decreased in comparison to the nine month period ended September 30, 2001 which consisted of the write-down of one predecessor company's investment in the other which was eliminated on amalgamation. A gain was realized on the sale of fixed assets in the current period.

Income taxes were recovered upon claiming tax credits and applied against current taxes payable on gold sales.

During the three month quarter ended September 30, 2002, interest income increased as compared to the comparative three month quarter ended September 30, 2001 due to larger cash balances available for investment. Included in the loss for the third quarter of 2002 was the write down of the Company's investment in the Caballo Blanco property. General and administrative expenses decreased after allocating taxes paid against taxes recovered. Loss on securities decreased in the current quarter as compared to the write-down of investment in the comparative quarter.

Financial Position and Liquidity

Operating Cash Flow

Cash flow used in operations, after allowing for the effects of changes in non-cash working capital components, was \$347,210 in the nine month period ended September 30, 2002 compared to \$112,682 in the nine month period ended September 30, 2001.

During the three month quarter ended September 30, 2002, cash flows used in operations, after allowing for the effects of changes in non-cash working capital components, was \$288,770 as compared to proceeds of \$6,763 in the comparative three month quarter ended September 30, 2001.

Financing Activities

Cash was provided pursuant to two private placement financings and on the exercise of share purchase warrants during the current period.

During the three month quarter ended September 30, 2002, expenses relating to the issuance of shares pursuant to private placements reduced cash received.

Investing Activities

Cash used in the nine month period ended September 30, 2002 for investing activities totaled \$518,436 compared to \$126,134 during the nine month period ended September 30, 2001. During the current period, expenditures incurred on a drill program on the Elk property were recovered from Wheaton Minerals Ltd. who subsequently converted their option to acquire an interest in the property to common shares of the Company. Other exploration was undertaken on the ATW

and PV properties and additional claims were staked in Mexico. The Company increased its investment in marketable securities to provide a higher rate of interest on its funds available for investment. Cash was provided on the sale of fixed assets and used to acquire further assets.

During the three month quarter ended September 30, 2002, cash of \$145,710 was used for investing activities as compared to \$63,799 in the three month quarter ended September 30, 2001. During the current quarter, the Company's expenditures on its mineral properties decreased as compared to the comparative quarter with more of the Company's mineral properties being optioned out to third parties who are earning their interests in the properties. Marketable securities increased in the current quarter with more cash available for investment.

Cash Resources and Liquidity

As at September 30, 2002, cash and cash equivalents amounted to \$457,904 compared to \$274,100 at December 31, 2001, the Company's most recent financial year-end. At September 30, 2002, the Company had working capital of \$1,174,075 compared to \$860,192 at December 31, 2001. Included in working capital is the Company's inventory of gold recorded at the cost of production not market value. Also, the Company is appealing the additional mineral tax assessed Fairfield Minerals Ltd. The Company has no long-term debt. Early in the subsequent quarter, the Company completed a private placement for proceeds of \$907,500 to the Company. The Company's current working capital position is sufficient for its 2002 and 2003 requirements.

ALMADEN MINERALS LTD.

Consolidated Interim Balance Sheets

September 30, 2002 and December 31, 2001

	September 30, 2002 (unaudited)	December 31, 2001 (audited)
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 457,904	\$ 274,100
Accounts receivable	217,229	121,019
Marketable securities	592,897	476,473
Inventory	274,768	446,788
TOTAL CURRENT ASSETS	1,542,798	1,318,380
FIXED ASSETS	141,027	116,660
RECLAMATION DEPOSIT	81,500	76,500
MINERAL PROPERTIES (Note 3)	3,017,332	4,785,553
TOTAL ASSETS	\$ 4,782,657	\$ 6,297,093
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 39,070	\$ 127,866
Mineral taxes payable	329,653	330,322
TOTAL CURRENT LIABILITIES	368,723	458,188
SHAREHOLDERS' EQUITY		
Share capital		
Authorized		
100,000,000 common shares without par value		
Issued (Note 4)		
19,630,006 shares – September 30, 2002		
17,123,006 shares – December 31, 2001	16,060,226	15,010,776
Deficit	(11,646,292)	(9,171,871)
TOTAL SHAREHOLDER'S EQUITY	4,413,934	5,838,905
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,782,657	\$ 6,297,093

APPROVED BY THE BOARD:

“Duane Poliquin”

“James E. McInnes”

ALMADEN MINERALS LTD.

Consolidated Interim Statements of Loss and Deficit

Nine month periods ended September 30, 2002 and 2001
(unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002	Three Months Ended September 30, 2001	Nine Months Ended September 30, 2001
REVENUE				
Gold sales	\$ -	\$ 493,360	\$ -	\$ -
Mineral properties	-	20,814	-	-
Interest income	19,654	22,996	6,446	26,237
Other income	-	1,500	-	-
	<u>19,654</u>	<u>538,670</u>	<u>6,446</u>	<u>26,237</u>
EXPENSES				
Cost of gold sold	-	172,020	-	-
General and administrative expenses	(35,196)	444,273	53,143	193,010
General exploration expenses	106,240	233,539	19,741	49,182
Write-down of interests in mineral properties	2,079,087	2,082,101	1,740	3,607
	<u>2,150,013</u>	<u>2,931,933</u>	<u>74,624</u>	<u>245,799</u>
LOSS FROM OPERATIONS	(2,130,477)	(2,393,263)	(68,178)	(219,562)
LOSS ON SECURITIES	(14,400)	(47,245)	(164,055)	(164,055)
GAIN ON FIXED ASSETS	-	12,924	-	-
FOREIGN EXCHANGE GAIN (LOSS)	5,429	(5,460)	189	3,293
LOSS BEFORE INCOME AND RESOURCE TAXES	(2,139,448)	(2,433,044)	(232,044)	(380,324)
INCOME AND RESOURCE TAXES				
Current recovery	(41,377)	(41,377)	-	-
NET LOSS	(2,180,825)	(2,474,421)	(232,044)	(380,324)
DEFICIT, BEGINNING OF PERIOD	(9,465,467)	(9,171,871)	(8,670,056)	(8,521,776)
DEFICIT, END OF PERIOD	\$ (11,646,292)	\$ (11,646,292)	\$ (8,902,100)	\$ (8,902,100)

NET LOSS PER SHARE	\$	(0.11)	\$	(0.13)	\$	(0.02)	\$	(0.03)
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WEIGHTED AVERAGE NUMBER
OF COMMON SHARES
OUTSTANDING

19,630,006	18,779,834	13,291,487	13,284,280
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ALMADEN MINERALS LTD.

Consolidated Interim Statements of Cash Flows

Nine month periods ended September 30, 2002 and 2001
(unaudited)

	Three Months Ended September 30, 2002	Nine Months Ended September 30, 2002	Three Months Ended September 30, 2001	Nine Months Ended September 30, 2001
OPERATING ACTIVITIES				
Net loss	\$ (2,180,825)	\$ (2,474,421)	\$ (232,044)	\$ (380,324)
Items not affecting cash				
Write-down of interests in mineral properties	2,079,087	2,082,101	1,740	3,607
Depreciation	9,140	24,444	6,350	20,465
Loss on securities	14,400	47,245	164,055	164,055
Gain on sale of fixed assets	-	(12,924)	-	-
	(78,198)	(333,555)	(59,899)	(192,197)
Change in non-cash working capital Components				
Accounts receivable and prepaid expenses	(101,031)	(96,210)	28,759	106,289
Inventory	-	172,020	-	-
Accounts payable and accrued liabilities	(22,214)	(88,796)	37,903	(26,774)
Mineral taxes payable	(87,327)	(669)	-	-
	(288,770)	(347,210)	6,763	(112,682)
FINANCING ACTIVITIES				
Issuance of shares - net of expenses	(30,662)	1,049,450	72,500	72,500
INVESTING ACTIVITIES				
(Increase) decrease in marketable securities	(16,230)	(163,669)	95,241	227,970
Fixed assets purchases	(37,442)	(54,474)	(2,137)	(43,056)
Fixed assets proceeds	-	18,587	-	-
Mineral properties costs	(87,038)	(313,880)	(156,903)	(311,048)
Reclamation deposit	(5,000)	(5,000)	-	-
	(145,710)	(518,436)	(63,799)	(126,134)
NET CASH (OUTFLOW) INFLOW	(465,142)	183,804	15,464	(166,316)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	923,046	274,100	105,819	287,599
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 457,904	\$ 457,904	\$ 121,283	\$ 121,283

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

September 30, 2002
(unaudited)

1. BASIS OF PRESENTATION

These interim unaudited consolidated financial statements do not include all the disclosure required by Canadian generally accepted accounting principles for annual statements and should be read in conjunction with the annual audited financial statements for the year ended December 31, 2001, specifically Note 1 on the Nature of Operations, Note 2 on Amalgamation and Note 3 on the Significant Accounting Policies. 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, 2001 accounts.

2. SIGNIFICANT ACCOUNTING POLICIES

Stock-based compensation

The Company has adopted the recommendations of the new CICA Handbook section 3870, *Stock-Based Compensation and Other Stock-Based Payments*, effective January 1, 2002. This section establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. The standard requires that all stock-based awards made to non-employees be measured and recognized using a fair value based method. The standard encourages the use of a fair-value based method for direct awards of stock, stock appreciation rights, and awards that call for settlement in cash or other assets. Awards that a company has the ability to settle in stock are recorded as equity, whereas awards that the entity is required to or has a practice of settling in cash are recorded as liabilities. For stock options granted to employees, the Company has adopted the disclosure only provisions of the new standard whereby pro-forma net income and pro forma earnings per share are disclosed in the notes to the financial statements, as if the fair value based method of accounting had been used. This disclosure is provided for stock option grants after January 1, 2002, but not for any grants prior to that date.

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

September 30, 2002
(unaudited)

3. MINERAL PROPERTIES

	September 30, 2002	December 31, 2001
Caballo Blanco		
Option to purchase 100% interest in mineral claims in Veracruz, Mexico	\$ 516,164	\$ 2,468,848
ATW		
Net 27% interest in mineral claims near Lac De Gras, Northwest Territories, Canada	119,951	46,451
Prospector Mountain, 75% interest in mineral claims in the Yukon Territory, Canada	23,855	23,855
Yago / La Sarda		
100% interest in mineral claims in Nayarit State, Mexico	758,256	738,438
Elk		
100% interest in mineral claims in British Columbia, Canada	869,076	864,864
Cabin Lake		
100% interest in mineral claims in the Yukon Territory, Canada	68,954	128,954
Caribou Creek		
100% interest in mineral claims in the Yukon Territory, Canada	73,534	73,534
MOR		
100% interest in mineral claims in the Yukon Territory, Canada	61,724	59,542
San Carlos / San Jose		
100% interest in the San Carlos mineral claim and 90% interest in the San Jose mineral claims in Tamaulipas State, Mexico	274,578	274,604
Tropico		
40% interest in minerals claims in Western Mexico	35,281	41,313
Interests in various other mineral claims	215,959	65,150
	\$ 3,017,332	\$ 4,785,553

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

September 30, 2002
(unaudited)

4. SHARE CAPITAL

A. *Authorized*

100,000,000 common shares without par value

Issued

	<u>Number</u>		<u>Amount</u>
Balance, December 31, 2001	17,123,006	\$	15,010,776
For cash pursuant to private placement	2,050,000		819,513
For cash pursuant to private placement	380,000		200,600
For cash on exercise of share purchase warrants	77,000		29,337
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Balance, September 30, 2002	19,630,006		16,060,226

B. *Stock-based Compensation*

The Company has a formal written stock option plan under which incentive stock options for up to 1,000,000 shares of common stock are reserved for issuance and may be granted from time to time to directors, officers, employees and contractors. During the period ended September 30, 2002, 975,000 options were granted. Stock options previously granted by the Company and its predecessor, which by the terms of the amalgamation, become options granted by the Company, are not options granted under the Company's formal stock option plan.

Stock option activity with respect to all of the Company's stock options is represented below:

	Number of Shares	Exercise Price Range per Share	Weighted Average Exercise Price
Outstanding at December 31, 2001	1,759,533	\$ 0.27 – 0.49	\$0.37
Granted	975,000	\$ 0.55	\$0.55
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Outstanding at September 30, 2002	<u>2,734,533</u>	<u>\$ 0.27 – 0.55</u>	<u>\$0.44</u>

ALMADEN MINERALS LTD.

Note to Consolidated Interim Financial Statements

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4. SHARE CAPITAL (Continued)

Additional information relating to stock options outstanding as of September 30, 2002 is presented below:

Options Outstanding				Options Exercisable	
Exercise Price	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Shares	Weighted Average Exercise Price
\$0.27	91,092	\$0.27	3.8	91,092	\$0.27
\$0.30	735,000	\$0.30	3.3	735,000	\$0.30
\$0.39	3,850	\$0.39	2.1	3,850	\$0.39
\$0.39	154,000	\$0.39	7.1	154,000	\$0.39
\$0.45	53,900	\$0.45	1.1	53,900	\$0.45
\$0.45	644,691	\$0.45	6.1	644,691	\$0.45
\$0.49	77,000	\$0.49	2.5	77,000	\$0.49
\$0.55	975,000	\$0.55	4.3	975,000	\$0.55
	2,734,533			2,734,533	

When stock-based compensation awards are granted to employees, no compensation cost is recognized when their exercise price exceeds or equals the fair value of the Company's common shares at the date of grant. Accordingly, no compensation cost has been recognized for options granted. Had compensation cost for the Company's stock-based compensation plan been determined based on the fair market value at the grant dates for awards under those plans consistent with the fair value based method of accounting for stock-based compensation, the Company's net income and earnings per share would have reduced to the pro forma amounts indicated below:

	Nines ended September 30, 2002
Net loss	
As reported	\$(2,474,421)
Pro forma	\$(2,844,921)
Basic loss per share	
As reported	\$(0.13)
Pro forma	\$(0.15)
Diluted loss per share	
As reported	\$(0.12)
Pro forma	\$(0.14)

The fair value of each option grant is estimated on the date of grant to be \$0.38 per share using the Black-Scholes option pricing model with the following weighted average assumptions for grants in the nine month period ended September 30, 2002: no dividends are to be paid, expected volatility of 86%; risk-free interest rate of 3.75%; and expected lives of five years.

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Note to Consolidated Interim Financial Statements

September 30, 2002
(unaudited)

5. RELATED PARTY TRANSACTIONS

A company controlled by the President of the Company was paid \$76,500 for geological services during the nine months ended September 30, 2002.

A company controlled by a Director of the Company was paid \$47,125 for geological services during the nine months ended September 30, 2002.

6. SUBSEQUENT EVENT

In the subsequent quarter, the Company closed a private placement of 1,650,000 units for proceeds of \$907,500, each unit consisting of one common share and one share purchase warrant entitling the Purchaser to purchase one additional common share of the Company at a price of \$0.60 per share during the first year and \$0.70 per share during the second year.