

Condensed Consolidated Interim Financial Statements of
Almaden Minerals Ltd.

First Quarter Ended March 31, 2014
(Unaudited)

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

The accompanying unaudited condensed consolidated interim financial statements of Almaden Minerals Ltd. for the three months ended March 31, 2014 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 consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated 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 consolidated interim financial statements by an entity's auditor.

Almaden Minerals Ltd.

Condensed consolidated interim statements of financial position

(Unaudited - Expressed in Canadian dollars)

	March 31, 2014	December 31, 2013
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents (Note 15)	9,789,042	11,994,773
Accounts receivable and prepaid expenses (Note 4)	385,876	445,122
Marketable securities (Note 5)	1,554,116	1,058,661
Inventory (Note 6)	274,768	274,768
	12,003,802	13,773,324
Non-current assets		
Investment in associate (Note 7)	9,420,139	9,447,497
Exploration and evaluation assets deposit (Note 10(e)(vi))	138,929	138,929
Reclamation deposit	33,264	33,264
Contingent shares receivable (Note 8)	112,650	44,700
Property, plant and equipment (Note 9)	1,052,599	1,103,070
Exploration and evaluation assets (Note 10)	25,726,755	24,447,149
	36,484,336	35,214,609
TOTAL ASSETS	48,488,138	48,987,933
LIABILITIES		
Current liabilities		
Trade and other payables	841,980	1,097,158
EQUITY		
Share capital (Note 11)	81,151,042	81,151,042
Reserves (Note 11)	11,071,623	10,210,168
Deficit	(44,576,507)	(43,470,435)
	47,646,158	47,890,775
TOTAL EQUITY AND LIABILITIES	48,488,138	48,987,933
Commitments (Note 16)		

These consolidated financial statements are authorized for issue by the Board of Directors on May 12, 2014.

They are signed on the Company's behalf by:

/s/Duane Poliquin
Director

/s/Joseph H. Montgomery
Director

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Almaden Minerals Ltd.

Condensed consolidated interim statements of comprehensive loss

(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31,	
	2014	2013
	\$	\$
Revenue		
Interest income	47,310	42,909
Other income	12,300	12,300
	59,610	55,209
Expenses		
Impairment of exploration and evaluation assets	31,370	155,646
General and administrative expenses (Note 20)	646,498	602,509
Income on exploration and evaluation assets (Note 13)	-	(115,590)
General exploration expenses	159,880	182,174
Share-based payments	285,000	11,400
	1,122,748	836,139
Operating loss	(1,063,138)	(780,930)
Other (loss) income		
Loss on investment in associate (Note 7)	(27,358)	(766,747)
Impairment of marketable securities (Note 5)	(81,000)	-
Gain (loss) on fair-value of contingent share receivable (Note 8)	67,950	(140,700)
Gain on sale of marketable securities	-	644
Foreign exchange (loss) gain	(2,526)	7,501
Net loss for the period	(1,106,072)	(1,680,232)
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Net change in fair value of available-for-sale financial assets, net of tax of nil	576,455	(818,863)
Reclassification adjustment relating to available-for-sale financial assets disposed of in the period, net of tax of nil	-	(1,083)
Other comprehensive income (loss) for the period	576,455	(819,946)
Total comprehensive loss for the period	(529,617)	(2,500,178)
Basic net loss per share (Note 14)	(0.02)	(0.03)
Diluted net loss per share (Note 14)	(0.02)	(0.03)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Almaden Minerals Ltd.

Condensed consolidated interim statements of cash flows

(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31,	
	2014	2013
	\$	\$
Operating activities		
Net loss for the period	(1,106,072)	(1,680,232)
Items not affecting cash		
Loss on investment in associate	27,358	766,747
Depreciation	61,016	75,463
Gain on sale of marketable securities	-	(644)
(Gain) loss on fair value of contingent shares receivable	(67,950)	140,700
Impairment of marketable securities	81,000	-
Income on exploration and evaluation assets	-	(115,590)
Impairment of exploration and evaluation assets	31,370	155,646
Share-based payments	285,000	11,400
Changes in non-cash working capital components		
Accounts receivable and prepaid expenses	59,246	54,990
Trade and other payable	(255,178)	(241,647)
Net cash used in operating activities	(884,210)	(833,167)
Investing activities		
Net proceeds on sale of marketable securities	-	1,540
Property, plant and equipment		
Purchases	(10,545)	(85,726)
Mineral properties		
Costs	(1,310,976)	(2,049,928)
Net proceeds	-	127,420
Net cash used in investing activities	(1,321,521)	(2,006,694)
Financing activities		
Issuance of shares, net of share issue costs	-	81,550
Net cash from financing activities	-	81,550
Net cash outflow	(2,205,731)	(2,758,311)
Cash and cash equivalents, beginning of period	11,994,773	16,487,408
Cash and cash equivalents, end of period	9,789,042	13,729,097

Supplemental cash and cash equivalents information - Note 15

Almaden Minerals Ltd.

Condensed consolidated interim statements of changes in equity

(Unaudited - Expressed in Canadian dollars)

	Share capital		Reserves				Deficit	Total
	Number of shares	Amount	Equity settled employee benefits	Warrants	Available-for-sale financial assets	Total reserves		
		\$	\$		\$		\$	\$
Balance, January 1, 2013	59,722,321	75,237,977	9,628,723	176,741	141,872	9,947,336	(37,113,826)	48,071,487
Shares issued for cash on exercise of stock options	45,000	81,550	-	-	-	-	-	81,550
Fair value of share options transferred to share capital on exercise of options	-	38,150	(38,150)	-	-	(38,150)	-	-
Share-based payments	-	-	11,400	-	-	11,400	-	11,400
Shares issued pursuant to property acquisition agreement	250,000	537,500	-	-	-	-	-	537,500
Total comprehensive loss for the period	-	-	-	-	(819,946)	(819,946)	(1,680,232)	(2,500,178)
Balance, March 31, 2013	60,017,321	75,895,177	9,601,973	176,741	(678,074)	9,100,640	(38,794,058)	46,201,759
Shares issued for cash on exercise of stock options	175,000	142,000	-	-	-	-	-	142,000
Fair value of share options transferred to share capital on exercise of options	-	98,500	(98,500)	-	-	(98,500)	-	-
Share-based payments	-	-	370,550	-	-	370,550	-	370,550
Private placements and other	4,386,000	5,015,365	-	-	-	-	-	5,015,365
Finder's warrant issued pursuant to private placement	-	-	-	107,880	-	107,880	-	107,880
Total comprehensive loss for the period	-	-	-	-	729,598	729,598	(4,676,377)	(3,946,779)
Balance, December 31, 2013	64,578,321	81,151,042	9,874,023	284,621	51,524	10,210,168	(43,470,435)	47,890,775
Share-based payments	-	-	285,000	-	-	285,000	-	285,000
Total comprehensive loss for the period	-	-	-	-	576,455	576,455	(1,106,072)	(529,617)
Balance, March 31, 2014	64,578,321	81,151,042	10,159,023	284,621	627,979	11,071,623	(44,576,507)	47,646,158

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

1. Nature of Operations

Almaden Minerals Ltd. (the “Company” or “Almaden”) was formed by amalgamation under the laws of the Province of British Columbia, Canada on February 1, 2002. The Company is an exploration stage public company that is engaged directly in the exploration and development of exploration and evaluation properties in Canada, United States and Mexico. The address of the Company’s registered office is Suite 1710 –1177 West Hastings Street, Vancouver, BC, Canada V6E 2L3.

The Company is in the business of exploring and developing new mineral projects and has not yet determined whether these projects are economically recoverable mineral reserves. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain the necessary financing or participation of joint venture partners to complete development of the properties and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

2. Basis of Presentation

(a) Statement of Compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards (“IAS”) 34 “*Interim Financial Reporting*” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards issued by the International Accounting Standards Board (“IFRS”).

(b) Basis of preparation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2013. However, this interim financial report provides selected significant disclosures that are required in the annual audited consolidated financial statements under IFRS.

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2013, with the exception of the following new accounting standards and amendments which the Company adopted and are effective for the Company’s interim and annual consolidated financial statements commencing January 1, 2014.

- IFRIC 21 – Levies
- Amendments to IAS 32 - Financial Instruments: Presentation

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

2. Basis of Presentation (Continued)

(b) Basis of preparation (continued)

IFRIC 21 'Levies' – This interpretation of IAS 37, 'Provisions, *Contingent Liabilities and Contingent Assets*', applies to the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. There was no material impact on these unaudited condensed consolidated interim financial statements as a result of the adoption of this standard.

Amended standard IAS 32 Financial Instruments: Presentation ("IAS 32") - Amendment to IAS 32 are effective for annual periods beginning on or after January 1, 2014. This provides for amendments relating to offsetting financial assets and financial liabilities. The Company determined that the adoption of the amendments to IAS 32 did not result in any change in the financial statements.

3. Significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2013.

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2013. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three month period ended March 31, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consist of the following:

	March 31, 2014	December 31, 2013
Accounts receivable	\$ 318,615	\$ 346,492
Excise tax receivable	31,325	39,538
Allowance for doubtful accounts	(79,485)	(79,485)
Prepaid expenses	115,421	138,577
	\$ 385,876	\$ 445,122

At March 31, 2014, the Company has recorded value added taxes of \$1,018,080 (December 31, 2013 - \$944,897) in exploration and evaluation assets as the value added tax relates to certain projects and will be recovered when the assets are sold.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

5. Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Marketable securities are designated as available for sale and valued at fair value. Unrealized gains and losses due to year end revaluation to fair value, other than those determined to be other than significant or prolonged losses are recorded as other comprehensive income or loss. During the three months ended March 31, 2014, the Company determined that \$81,000 (March 31, 2013 - \$Nil) of unrealized loss recorded in available-for-sale financial assets was a result of significant or prolonged losses.

6. Inventory

Inventory consists of 1,597 ounces of gold which is valued at the lower of average cost of mining and estimated net realizable value. The market value of the gold at March 31, 2014 is \$2,267,072 (December 31, 2013 - \$2,005,251).

7. Investment in associate

Gold Mountain Mining Corporation

On July 26, 2011, the Company closed an Asset Sale Agreement under which Gold Mountain Mining Corporation ("Gold Mountain") acquired 100% of the Elk gold deposit in Merritt, British Columbia and Almaden retains a 2% NSR ("Net Smelter Return") royalty in the project. Under the terms of the agreement, Almaden received 35 million common shares of Gold Mountain and recorded a gain on sale in the amount of \$4,122,166 and management's best estimate of the fair value of the contingently issuable shares of \$144,000. Concurrent with the transaction, Almaden sold 8.25 million common shares of Gold Mountain to third parties at \$0.355 per share for gross proceeds of \$2,928,750 resulting in no gain or loss on sale and now holds 26.75 million common shares of Gold Mountain representing a 38.8% interest. Upon completion of the transaction, Duane Poliquin (Chairman and Director of Almaden) and Morgan Poliquin (CEO and Director of Almaden) became directors of Gold Mountain.

Almaden is accounting for this investment using the equity method as the Company has determined that significant influence exists. Almaden has recorded its equity share of Gold Mountain's loss during the three months ended March 31, 2014 in the amount of \$27,358 (March 31, 2013 - \$766,747). The fair value of the investment at March 31, 2014 is \$4,280,000 (December 31, 2013 - \$2,407,500).

The following table summarizes the financial information of Gold Mountain for its three months ended March 31, 2014 and its year ended December 31, 2013:

	March 31, 2014	December 31, 2013
Current assets	\$ 2,370,128	\$ 2,606,837
Non-current assets	\$ 28,627,271	\$ 28,529,408
Current liabilities	\$ 13,936	\$ 51,923
Non-current liabilities	\$ 1,664,608	\$ 1,664,608
Revenue	\$ 1,457	\$ 51,141
Net loss	\$ 100,859	\$ 311,190

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

8. Contingent shares receivable

(a) As part of the Asset Sale Agreement with Gold Mountain, Almaden received an additional 2 million common shares held in escrow subject to the following conditions:

- i. 1,000,000 common shares upon the establishment of one million ounces of measured or indicated reserves of gold on the property; and
- ii. 1,000,000 common shares upon the establishment of an additional one million ounces of measured and indicated reserves of gold on the property.

Any bonus shares not released from escrow within five years will be cancelled. The Company has recorded a contingent share receivable of \$21,000 (December 31, 2013 - \$13,500) based on management's best estimate of the fair value of the common shares as at March 31, 2014 and a gain on fair value adjustment of \$7,500 (March 31, 2013 – loss of \$90,000) in the statements of comprehensive loss during the three months ended March 31, 2014.

(b) On October 14, 2011, the Company completed the sale of its 30% interest in the Caballo Blanco property to Goldgroup Mining Inc. ("Goldgroup"). The Company retains in its Mexican subsidiary an undivided 1.5% NSR in Caballo Blanco. In consideration, Goldgroup paid to Almaden cash consideration of US\$2.5 million and issued 7 million of its common shares. An additional 7 million common shares will be issued to Almaden under the following conditions:

- i. 1,000,000 common shares upon commencement of commercial production on the Caballo Blanco project,
- ii. 2,000,000 common shares upon measured and indicated resources including cumulative production reaching 2,000,000 ounces of gold,
- iii. 2,000,000 common shares upon measured, indicated and inferred resources including cumulative production reaching 5,000,000 ounces of gold, and
- iv. 2,000,000 common shares upon measured, indicated and inferred resources including cumulative production reaching 10,000,000 ounces of gold.

The Company has recorded a contingent share receivable of \$91,650 (December 31, 2013 - \$31,200) based on management's best estimate of the fair value of the common shares as at March 31, 2014 and a gain on fair value adjustment of \$60,450 (March 31, 2013 – loss of \$50,700) in the statements of comprehensive loss during the three months ended March 31, 2014.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

9. Property, plant and equipment

	Automotive equipment	Furniture and fixtures	Computer hardware	Computer software	Geological library	Field equipment	Leasehold improvements	Drill equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
December 31, 2013	541,260	139,195	330,090	214,812	65,106	452,110	27,181	1,534,988	3,304,742
Additions	-	-	2,141	514	-	7,890	-	-	10,545
Disposals	-	-	-	-	-	-	-	-	-
March 31, 2014	541,260	139,195	332,231	215,326	65,106	460,000	27,181	1,534,988	3,315,287
Accumulated depreciation									
December 31, 2013	418,088	127,816	288,001	146,856	58,976	312,233	27,181	822,521	2,201,672
Disposals	-	-	-	-	-	-	-	-	-
Depreciation	9,238	569	3,237	5,116	306	6,927	-	35,623	61,016
March 31, 2014	427,326	128,385	291,238	151,972	59,282	319,160	27,181	858,144	2,262,688
Carrying amounts									
December 31, 2013	123,172	11,379	42,089	67,956	6,130	139,877	-	712,467	1,103,070
March 31, 2014	113,934	10,810	40,993	63,354	5,824	140,840	-	676,844	1,052,599

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

10. Exploration and evaluation assets

	Tuligtic	EI Cobre	ATW	Willow	Other Properties	Total
Exploration and evaluation assets	\$	\$	\$	\$	\$	\$
Acquisition costs						
Opening balance (December 31, 2013)	1,232,765	47,261	46,451	148,254	13,045	1,487,776
Additions	-	-	-	-	-	-
Closing balance (March 31, 2014)	1,232,765	47,261	46,451	148,254	13,045	1,487,776
Deferred exploration costs						
Opening balance (December 31, 2013)	19,131,734	1,315,226	1,423,530	700,688	388,195	22,959,373
Costs incurred during the period						
Drilling and related costs	307,353	-	-	-	-	307,353
Professional/technical fees	41,188	7,477	-	-	2,725	51,390
Claim maintenance/lease costs	123,996	30,447	8,098	-	50,223	212,764
Geochemical, metallurgy	107,255	-	-	-	-	107,255
Technical studies	324,516	-	-	-	-	324,516
Travel and accommodation	52,777	3,035	-	-	2,350	58,162
Geology, exploration	152,104	-	-	-	-	152,104
Supplies and misc.	5,194	-	-	-	530	5,724
Reclamation, environmental	14,370	-	-	-	-	14,370
Water exploration	4,155	-	-	-	-	4,155
Value-added tax	63,853	-	-	-	9,330	73,183
Impairment of deferred exploration costs	-	-	-	-	(31,370)	(31,370)
	1,196,761	40,959	8,098	-	33,788	1,279,606
Closing balance (March 31, 2014)	20,328,495	1,356,185	1,431,628	700,688	421,983	24,238,979
Total exploration and evaluation assets	21,561,260	1,403,446	1,478,079	848,942	435,028	25,726,755

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

10. Exploration and evaluation assets (Continued)

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

(a) Tuligtic

In 2001, the Company acquired by staking a 100% interest in the Tuligtic property in Puebla, Mexico. The property contains the Ixtaca Zone.

(b) El Cobre

During 2011, the Company completed the sale of its 30% interest in the Caballo Blanco property located in Veracruz, Mexico to Goldgroup. As part of the sale, Goldgroup transferred to Almaden its 40% interest in the El Cobre property. The Company owns a 100% interest in the El Cobre property.

(c) ATW

The Company has a net 66.2% interest in this diamond property in the Northwest Territories, Canada through its ownership of shares in ATW Resources Ltd. which holds the mineral claim.

(d) Willow

In 2007, the Company acquired a 100% interest in the Willow property in Nevada, U.S.A. by staking.

(e) Other

(i) Nicoamen River

The Company staked and acquired a 100% interest in the Nicoamen River property.

(ii) Skoonka Creek

The Company has a 34.14% interest in the Skoonka Creek gold property.

(iii) Merit

The Company acquired by staking a 100% interest in the Merit property. During 2010, the Company entered into an Option Agreement with Sunburst Explorations Inc. ("Sunburst") to earn a 60% interest subject to certain terms and conditions. Sunburst terminated the Option Agreement in 2013.

(iv) San Jose

The Company purchased a 100% interest in the San Jose claim. The Company recorded a write-down in the three months ended March 31, 2014 of \$213 (March 31, 2013 - \$195).

(v) Yago & BP

In 2013, the Yago and BP properties were vended along with several others (Black Jack Springs property in Nevada and the Mezquites, San Pedro and Llano Grande properties in Mexico) to Tarsis Resources Ltd. ("Tarsis") for 4 million shares of Tarsis and a 2% NSR royalty. In addition, Tarsis must issue an additional 200,000 shares to the Company for each new property acquired within the area of influence and a further 800,000 shares upon the first time disclosure of a mineral resource on each and any of the new properties.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

10. Exploration and evaluation assets *(Continued)*

(e) Other

(vi) Matehuapil

During 2007, the Company was successful in its bid to acquire a 100% interest in the Matehuapil claim. In 2008, the purchase price was paid outright. A bond in the amount of \$138,929 ("Mineral property deposit") to pay for the purchase of an NSR royalty was required to remain in place until the NSR is purchased. The Company then entered into an agreement with Golden Minerals Company ("Golden Minerals") to earn a 60% interest. In 2013, Golden Minerals terminated the agreement. The Company abandoned the claims in 2013 and is in the process of having the bond for the purchase of the NSR royalty released.

(vii) Caldera

The Company acquired a 100% interest in the Caldera property by staking. The Company recorded a write-down in the three months ended March 31, 2014 of \$17,362 (March 31, 2013 - \$55,496).

(viii) Other write-downs of interest in exploration and evaluation assets

The Company wrote down its interest in other exploration and evaluation assets in aggregate by \$13,795 during the three months ended March 31, 2014 (March 31, 2013 - \$99,955).

11. Share capital and reserves

(a) Authorized share capital

At March 31, 2014, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

The Company has not issued any common shares in 2014.

(b) Warrants

The continuity of warrants for the three months ended March 31, 2014 is as follows:

Expiry date	Exercise Price	December 31 2013	Granted	Exercised	Expired/ cancelled	March 31 2014
January 17, 2015*	\$ 1.50	4,376,000	-	-	-	4,376,000
July 17, 2016	\$ 1.50	186,000	-	-	-	186,000
		4,562,000	-	-	-	4,562,000
Weighted average exercise price		\$ 1.50	-	-	-	\$ 1.50

*Expiry date is extended to July 17, 2016 and exercise price is increased to \$1.80 per share if the warrants are not exercised by January 17, 2015.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

11. Share capital and reserves (Continued)

(c) Share purchase option compensation plan

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 March 31, 2014, the Company had reserved 262,832 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 three months ended March 31, 2014 vested on the date granted.

The continuity of stock options for the three months ended March 31, 2014 is as follows:

Expiry date	Exercise price	December 31, 2013	Granted	Exercised	Expired/cancelled	March 31, 2014
May 4, 2014	\$ 2.18	65,000	-	-	-	65,000
July 13, 2014	\$ 1.96	170,000	-	-	(20,000)	150,000
November 22, 2014	\$ 2.53	60,000	-	-	-	60,000
November 25, 2014	\$ 0.81	150,000	-	-	-	150,000
January 4, 2015	\$ 1.14	970,000	-	-	-	970,000
February 22, 2015	\$ 2.26	20,000	-	-	-	20,000
April 25, 2015	\$ 1.67	25,000	-	-	-	25,000
June 21, 2015	\$ 1.00	140,000	-	-	-	140,000
July 16, 2015	\$ 0.92	200,000	-	-	-	200,000
August 27, 2015	\$ 2.22	205,000	-	-	-	205,000
September 20, 2015	\$ 2.67	100,000	-	-	-	100,000
November 22, 2015	\$ 2.73	75,000	-	-	-	75,000
June 8, 2016	\$ 3.29	2,270,000	-	-	-	2,270,000
August 15, 2016	\$ 2.93	150,000	-	-	-	150,000
May 4, 2017	\$ 2.18	225,000	-	-	-	225,000
June 8, 2017	\$ 2.25	75,000	-	-	-	75,000
September 11, 2017	\$ 2.63	500,000	-	-	-	500,000
November 22, 2017	\$ 2.53	100,000	-	-	-	100,000
April 4, 2018	\$ 1.98	90,000	-	-	-	90,000
June 18, 2018	\$ 1.66	250,000	-	-	-	250,000
January 2, 2019	\$ 1.19	-	375,000	-	-	375,000
Options outstanding and exercisable		5,840,000	375,000	-	(20,000)	6,195,000
Weighted average exercise price		\$ 2.38	\$ 1.19	-	\$ 1.96	\$ 2.31

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

11. Share capital and reserves (Continued)

(c) Share purchase option compensation plan (continued)

The weighted average fair value of options granted during the three months ended March 31, 2014, calculated using the Black-Scholes model at grant date, are as follows:

Number of options	Date of grant	Fair value per share	Weighted average assumptions used			
			Risk free interest rate	Expected life (in years)	Expected volatility	Expected dividends
375,000	January 2, 2014	\$ 1.30	1.43%	5	68.01%	\$Nil

12. Related party transactions and balances

(a) Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer and the Chief Financial Officer. The aggregate compensation paid or payable to key management for services is as follows:

	Three months ended March 31,	
	2014	2013
Salaries, fees and benefits	\$ 172,500 ⁽ⁱ⁾	\$ 172,500 ⁽ⁱ⁾
Share-based compensation	285,000 ⁽ⁱⁱ⁾	-
Director's fees	48,000	48,000
	\$ 505,500	\$ 220,500

(i) Hawk Mountain Resources Ltd. ("Hawk Mountain"), a private company of which the Chairman of the Company is a shareholder, was paid \$60,000 during 2014 (March 31, 2013 - \$60,000) for geological services provided to the Company and is recorded in general exploration expenses.

(ii) Comprised of 375,000 options granted pursuant to the Company's stock option plan during the period, all of which vested on the grant date. The value of the option-based awards is based on the fair value of the awards (\$0.76) calculated using the Black-Scholes model at the January 2, 2014 grant date.

(b) Other related party transactions

i) ATW Resources Ltd. ("ATW")

Almaden owns a 50% interest in this company which holds title in trust for a mineral property. The Company has a director in common with ATW.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

12. Related party transactions and balances (Continued)

(b) Other related party transactions (continued)

ii) Other

- (a) During the three months ended March 31, 2014, an additional \$Nil was paid to Hawk Mountain for marketing and general administration services provided by the spouse of the Chairman (March 31, 2013 - \$3,300).
- (b) During the three months ended March 31, 2014, the Company employed the Chairman's daughter for a salary of \$7,250 less statutory deductions (March 31, 2013 - \$7,250) for marketing and administrative services provided to the Company.

13. Income on exploration and evaluation assets

Income on exploration and evaluation assets is comprised of the following:

	Three months ended March 31,	
	2014	2013
Sale of Dill property	\$ -	\$ 30,000
Sale of Fuego property	-	85,590
	<u>\$ -</u>	<u>\$ 115,590</u>

14. Net loss per share

Basic and diluted net loss per share

The calculation of basic net loss per share for the three months ended March 31, 2014 was based on the loss attributable to common shareholders of \$1,106,072 (March 31, 2013 - \$1,680,232) and a weighted average number of common shares outstanding of 64,578,321 (March 31, 2013 - 59,855,377).

The calculation of diluted net loss per share for the three month periods ended March 31, 2014 and 2013 did not include the effect of stock options and warrants as they are anti-dilutive.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

15. Supplemental cash flow information

Supplemental information regarding non-cash transactions is as follows:

(a) Supplemental information regarding non-cash transactions is as follows:

	March 31, 2014	March 31, 2013
Investing activities		
Fair value of share options transferred to share capital on exercise of options	\$ -	\$ 38,150
Shares received on sale of Dill property	-	5,000

(b) Supplemental information regarding the split between cash and cash equivalents is as follows:

	March 31, 2014	December 31, 2013
Cash	\$ 988,992	\$ 1,694,723
Term Deposits	8,800,050	10,300,050
	\$ 9,789,042	\$ 11,994,773

16. Commitments

The Company has entered into an operating lease for office premises through 2016. On January 29, 2013, the Company entered into contracts with its Chairman and President for an annual remuneration of \$240,000 and \$265,000 respectively effective January 1, 2013, for two years, renewable for two additional successive terms of 24 months.

As at March 31, 2014, the remaining payments for the executive contract and the operating lease are due as follows:

	2014	2015	2016	2017	2018	Total
Office lease	\$ 56,250	\$ 81,000	\$ 6,700	\$ -	\$ -	\$ 143,950
Executive contracts	378,750	505,000	505,000	505,000	505,000	2,398,750
	\$435,000	\$586,000	\$511,700	\$505,000	\$505,000	\$2,542,700

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

17. Financial instruments

The fair values of the Company's cash and cash equivalent, accounts receivable and trade and other payables approximate their carrying values because of the short-term nature of these instruments.

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 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.

As at March 31, 2014, the Company is exposed to foreign exchange risk through the following assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary:

All amounts in Canadian dollars	US dollar	Mexican peso
Cash and cash equivalents	\$ 455,564	\$ 153,001
Accounts receivable and prepaid expenses	-	47,213
Total assets	\$ 455,564	\$ 200,214
Trade and other payables	\$ 44,232	\$ 56,181
Total liabilities	\$ 44,232	\$ 56,181
Net assets	\$ 411,332	\$ 144,033

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net income by \$49,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's net income by \$8,000.

(b) Credit risk

The Company's cash and cash equivalents are held in large Canadian financial institutions. These investments mature at various dates during the twelve months following the statement of financial position date. The Company's excise tax consists primarily of sales tax due from the federal government of Canada. The Company is exposed to credit risks through its accounts receivable.

To mitigate exposure to credit risk on cash and cash equivalents, the Company has established policies to limit the concentration of credit risk with any given banking institution where the funds are held, to ensure counterparties demonstrate minimum acceptable credit risk worthiness and ensure liquidity of available funds.

As at March 31, 2014, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents and accounts receivable.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

17. Financial instruments (Continued)

(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.

Trade and other payables are due within twelve months of the statement of financial position date.

(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.

A 1% change in the interest rate would change the Company's net income by \$98,000.

(e) Commodity price risk

The ability of the Company to explore its exploration and evaluation assets 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 monitors gold prices to determine the appropriate course of action to be taken by the Company.

A 1% change in the price of gold would affect the fair value of the Company's gold inventory by \$23,000.

(f) Classification of Financial instruments

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	\$ 1,544,116	\$ -	\$ -	\$ 1,544,116

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

18. Management of capital

The Company considers its capital to consist of common shares, stock options and warrants. 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 exploration and evaluation assets 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 and, acquire or dispose of assets.

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 for the foreseeable future.

19. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral resource properties.

The Company has exploration and evaluation assets and property, plant and equipment in the following geographic locations:

	March 31, 2014	December 31, 2013
Canada	\$ 2,570,035	\$ 2,562,469
United States	848,945	848,945
Mexico	23,360,374	22,138,805
	\$ 26,779,354	\$ 25,550,219

The Company's revenues were all earned in Canada primarily from interest income on corporate cash reserves and investment income.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three months ended March 31, 2014

Presented in Canadian dollars

20. General and administrative expenses

	Three months ended March 31,	
	2014	2013
Professional fees	\$ 89,301	\$ 86,043
Salaries and benefits	136,098	132,526
Travel and promotion	122,389	71,304
Depreciation	61,016	75,463
Office and license	40,746	52,360
Rent	43,871	41,361
Stock exchange fees	77,826	67,306
Insurance	23,225	24,160
Transfer agent fees	4,026	3,986
Directors fees	48,000	48,000
	\$ 646,498	\$ 602,509