Consolidated financial statements of

Almaden Minerals Ltd.

For the year ended December 31, 2012

Almaden Minerals Ltd.
December 31, 2012

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Report of Independent Registered Chartered Accountants

To the Board of Directors and Shareholders of
Almaden Minerals Ltd.

We have audited the accompanying consolidated financial statements of Almaden Minerals Ltd. and subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2012 and December 31, 2011, and the consolidated statements of comprehensive (loss) income, statements of changes in equity, and statements of cash flows for each of the years in the three-year period ended December 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Almaden Minerals Ltd. and subsidiaries as at December 31, 2012 and December 31, 2011 and their financial performance and cash flows for each of the years in the three-year period ended December 31, 2012 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matter

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 27, 2013 expressed an unqualified opinion on the Company's internal control over financial reporting.

(Signed) Deloitte LLP

Independent Registered Chartered Accountants
March 27, 2013
Vancouver, Canada

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Report of Independent Registered Chartered Accountants

To the Board of Directors and Shareholders of
Almaden Minerals Ltd.

We have audited the internal control over financial reporting of Almaden Minerals Ltd. and subsidiaries (the "Company") as of December 31, 2012, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2012 of the Company and our report dated March 27, 2013 expressed an unqualified opinion on those financial statements.

(Signed) Deloitte LLP

Independent Registered Chartered Accountants
March 27, 2013
Vancouver, Canada

Almaden Minerals Ltd.

Consolidated statements of financial position

(Expressed in Canadian dollars)

	December 31, 2012	December 31, 2011
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 15)	**16,487,408**	**21,184,159**
Accounts receivable and prepaid expenses (Note 4)	**1,571,629**	**1,148,406**
Marketable securities (Note 5)	**2,201,808**	**8,471,167**
Inventory (Note 6)	**274,768**	**274,768**
	20,535,613	**31,078,500**
Non-current assets		
Investment in associate (Note 7)	**10,266,386**	**10,179,423**
Exploration and evaluation assets deposit (Note 10(g)(vii))	**138,929**	**138,929**
Reclamation deposit (Note 3(l))	**33,264**	**129,764**
Contingent shares receivable (Note 8)	**238,200**	**662,700**
Property, plant and equipment (Note 9)	**1,310,474**	**1,245,543**
Exploration and evaluation assets (Note 10)	**16,609,450**	**10,470,410**
	28,596,703	**22,826,769**
TOTAL ASSETS	**49,132,316**	**53,905,269**
LIABILITIES		
Current liabilities		
Trade and other payables	**1,060,829**	**565,097**
EQUITY		
Share capital (Note 11)	**75,237,977**	**73,353,977**
Reserves (Note 11)	**9,947,336**	**6,861,644**
Deficit	**(37,113,826)**	**(26,875,449)**
	48,071,487	**53,340,172**
TOTAL EQUITY AND LIABILITIES	**49,132,316**	**53,905,269**

Commitments (Note 17)

These consolidated financial statements are authorized for issue by the Board of Directors on March 27, 2013.
They are signed on the Company's behalf by:

/s/Duane Poliquin
Director

/s/Joseph Montgomery
Director

Almaden Minerals Ltd.

Consolidated statements of comprehensive (loss) income

(Expressed in Canadian dollars)

	2012	2011	2010
		Years ended December 31,	
	$	$	$
Revenue			
Interest income	**173,302**	161,664	38,589
Other income	**125,865**	87,048	195,286
	299,167	248,712	233,875
Expenses (income)			
Impairment of exploration and evaluation assets	**1,268,856**	318,847	725,951
Recovery in value of exploration and evaluation assets	**-**	-	(84,323)
General and administrative expenses (Schedule 1)	**2,330,965**	2,096,097	1,493,611
Income on exploration and evaluation assets (Note 13)	**(47,500)**	(15,072,485)	(1,923,430)
General exploration expenses	**969,470**	961,992	646,358
Share-based payments	**1,716,250**	4,930,700	2,108,800
	6,238,041	(6,764,849)	2,966,967
Operating (loss) income	**(5,938,874)**	7,013,561	(2,733,092)
Other (loss) income			
Gain (loss) on investment in associate (Note 7)	**86,963**	1,286,740	(151,926)
Loss on dilution of equity investments (Note 7)	-	(122,843)	(168,449)
Impairment of marketable securities (Note 5)	**(3,856,819)**	(987,600)	-
Loss on fair-value of contingent share receivable (Note 8)	**(424,500)**	-	-
Gain (loss) on sale of marketable securities	**12,275**	149,069	(556,753)
Gain (loss) on sale of property, plant and equipment	**3,051**	(9,374)	2,836
Foreign exchange loss	**(120,473)**	(54,695)	(163,034)
(Loss) income before income taxes	**(10,238,377)**	7,274,858	(3,770,418)
Income tax recovery (Note 16)	**-**	20,000	305,766
Net (loss) income for the year	**(10,238,377)**	7,294,858	(3,464,652)
Other comprehensive income (loss)			
Net change in fair value of available-for-sale financial assets, net of tax of nil	**(2,341,238)**	(2,661,274)	149,738
Reclassification adjustment relating to available-for-sale financial assets included in net (loss) income, net of tax of nil	**4,334,680**	839,572	556,753
Other comprehensive income (loss) for the year	**1,993,442**	(1,821,702)	706,491
Total comprehensive (loss) income for the year	**(8,244,935)**	5,473,156	(2,758,161)
Basic net (loss) income per share (Note 14)	**(0.17)**	0.13	(0.07)
Diluted net (loss) income per share (Note 14)	**(0.17)**	0.12	(0.07)

Almaden Minerals Ltd.

Consolidated statements of cash flows

(Expressed in Canadian dollars)

	Years ended December 31,		
	2012	2011	2010
	$	$	$
Operating activities			
Net (loss) income for the year	**(10,238,377)**	7,294,858	(3,464,652)
Items not affecting cash			
Deferred income tax recovery	-	(20,000)	(305,766)
(Gain) loss on investment in associate	**(86,963)**	(1,286,740)	151,926
Loss on dilution of equity investment	-	122,843	168,449
Depreciation	**325,995**	271,061	189,580
(Gain) loss on sale of marketable securities	**(12,275)**	(149,069)	556,753
Loss on fair value of contingent share receivable	**424,500**	-	-
Impairment of marketable securities	**3,856,819**	987,600	-
Income on exploration and evaluation assets	**(47,500)**	(15,067,486)	(1,923,430)
Impairment of exploration and evaluation assets	**1,268,856**	318,847	725,951
Recovery in value of exploration and evaluation assets	-	-	(84,323)
Share-based payments	**1,716,250**	4,930,700	2,108,800
(Gain) loss on sale of property, plant and equipment	**(3,051)**	9,374	(2,836)
Changes in non-cash working capital components			
Accounts receivable and prepaid expenses	**(423,223)**	(610,006)	163,827
Trade and other payables	**495,732**	(213,672)	19,326
Deferred exploration advances payable	-	(156,956)	156,956
Net cashed used in operating activities	**(2,723,237)**	(3,568,646)	(1,539,439)
Investing activities			
Reclamation deposit	**96,500**	(5,000)	(40,764)
Short term investment	-	2,000,000	(2,000,000)
Marketable securities			
Purchases	-	-	(1,550)
Net proceeds	**4,435,757**	579,783	1,009,484
Property, plant and equipment			
Purchases	**(395,018)**	(678,274)	(502,822)
Net proceeds	**7,143**	15,022	5,190
Assets classified as held for sale	-	(182,713)	-
Mineral properties			
Costs	**(7,407,896)**	(6,197,667)	(5,478,095)
Net proceeds on disposal	**30,000**	5,871,380	15,000
Net cash (used in) from investing activities	**(3,233,514)**	1,402,531	(6,993,557)
Financing activity			
Issuance of shares, net of share issue costs	**1,260,000**	7,262,442	11,478,157
Net cash from financing activity	**1,260,000**	7,262,442	11,478,157
Net cash (outflows) inflows	**(4,696,751)**	5,096,327	2,945,161
Cash and cash equivalents, beginning of year	**21,184,159**	16,087,832	13,142,671
Cash and cash equivalents, end of year	**16,487,408**	21,184,159	16,087,832

Supplemental cash and cash equivalents information - Note 15

Almaden Minerals Ltd.

Consolidated statements of changes in equity

(Expressed in Canadian dollars)

	Share capital		Reserves					
	Number of shares	Amount	Equity settled employee compensation	Warrants	Available-for-sale financial assets	Total reserves	**Deficit**	**Total**
		$	$		$		$	$
Balance, January 1, 2010	48,973,145	50,877,609	4,576,523	1,158,726	(736,359)	4,998,890	(30,705,655)	25,170,844
Shares issued for cash on exercise of stock options	895,000	919,500	-	-	-	-	-	919,500
Fair value of share options transferred to share capital on exercise of options	-	533,250	(533,250)	-	-	(533,250)	-	-
Share-based payments	-	-	2,108,800	-	-	2,108,800	-	2,108,800
Private placements	4,892,021	9,234,011	-	35,500	-	35,500	-	9,269,511
Shares issued for cash on exercise of warrants	740,656	983,380	-	-	-	-	-	983,380
Fair value of warrants transferred to share capital on exercise of warrants	-	306,180	-	(306,180)	-	(306,180)	-	-
Total comprehensive loss for the year	-	-	-	-	706,491	706,491	(3,464,652)	(2,758,161)
Balance, December 31, 2010	55,500,822	62,853,930	6,152,073	888,046	(29,868)	7,010,251	(34,170,307)	35,693,874
Shares issued for cash on exercise of stock options	2,030,000	4,922,900	-	-	-	-	-	4,922,900
Fair value of share options transferred to share capital on exercise of options	-	2,546,300	(2,546,300)	-	-	(2,546,300)	-	-
Share-based payments	-	-	4,930,700	-	-	4,930,700	-	4,930,700
Private placements and other	110,000	386,243	-	-	-	-	-	386,243
Shares issued for cash on exercise of warrants	1,481,499	1,933,299	-	-	-	-	-	1,933,299
Fair value of warrants transferred to share capital on exercise of warrants	-	711,305	-	(711,305)	-	(711,305)	-	-
Total comprehensive (loss) income for the year	-	-	-	-	(1,821,702)	(1,821,702)	7,294,858	5,473,156
Balance, December 31, 2011	59,122,321	73,353,977	8,536,473	176,741	(1,851,570)	6,861,644	(26,875,449)	53,340,172
Shares issued for cash on exercise of stock options	600,000	1,260,000	-	-	-	-	-	1,260,000
Fair value of share options transferred to share capital on exercise of options	-	624,000	(624,000)	-	-	(624,000)	-	-
Share-based payments	-	-	1,716,250	-	-	1,716,250	-	1,716,250
Total comprehensive loss for the year	-	-	-	-	1,993,442	1,993,442	(10,238,377)	(8,244,935)
Balance, December 31, 2012	**59,722,321**	**75,237,977**	**9,628,723**	**176,741**	**141,872**	**9,947,336**	**(37,113,826)**	**48,071,487**

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, and its principal business activity is the exploration of exploration and evaluation assets. 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 process of exploring its exploration and evaluation assets and has not yet determined whether these assets contain mineral reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets 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 preparation

(a) Statement of Compliance with International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

(b) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value.

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as at December 31, 2012.

(c) Functional currency

The presentation currency of the Company and the functional currency of the Company and each of its subsidiaries is the Canadian dollar.

(d) Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The consolidated financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material

2. Basis of preparation *(Continued)*

(d) Significant accounting judgments and estimates (continued)

adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical Judgments

- The assessment that the Company has significant influence over the investment in Gold Mountain Mining Corporation ("Gold Mountain") (Note 7) which results in the use of the equity accounting method for accounting for this investment. In making their judgement, management considered its percentage ownership, the composition of the Board of Directors of Gold Mountain, the common directors and management between Gold Mountain and the Company and the intercompany transactions and relationship with Gold Mountain and concluded that significant influence exists.

- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

Estimates

- the recoverability of accounts receivable and prepaid expenses which are included in the consolidated statement of financial position;
- the carrying value of the marketable securities and the recoverability of the carrying value which are included in the consolidated statement of financial position;
- the carrying value of investments, and the estimated annual gains or losses recorded on investments from income and dilution, and the recoverability of the carrying value which are included in the consolidated statement of financial position;
- the estimated useful lives of property, plant and equipment which are included in the consolidated statement of financial position and the related depreciation included in the consolidated statement of comprehensive (loss) income;
- the estimated value of the exploration and development costs which is recorded in the statement of financial position;
- the inputs used in accounting for share option expense in the consolidated statement of comprehensive (loss) income;
- the provision for income taxes which is included in the consolidation statements of comprehensive (loss) income and composition of deferred income tax assets and liabilities included in the consolidated statement of financial position at December 31, 2012;
- the inputs used in determining the various commitments and contingencies accrued in the consolidated statement of financial position.

2. Basis of preparation *(Continued)*

(d) Significant accounting judgments and estimates (continued)

- the assessment of indications of impairment of each exploration and evaluation asset and related determination of the net realizable value and write-down of those assets where applicable;
- the estimated fair value of contingent share payments receivable in the event that Gold Mountain achieves some or all of the specified resource and production levels described in Note 8(a);
- the estimated fair value of contingent share payments receivable in the event that Goldgroup Mining Inc. achieves some or all of the specified resource and production levels described in Note 8(b).

3. Significant accounting policies

(*a) Basis of consolidation*

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Jurisdiction	Nature of operations
Almaden America Inc.	USA	exploration company
Republic Resources Ltd.	Canada	service company
Puebla Holdings Inc.	Canada	holding company
Ixtaca Precious Metals Inc.	Canada	holding company
Pangeon Holdings Ltd.	Canada	holding company
Almaden de Mexico, S.A. de C.V.	Mexico	exploration company
Minera Gavilan, S.A. de C.V.	Mexico	exploration company
Compania Minera Zapata, S.A. de C.V.	Mexico	exploration company
Minera Gorrion, S.A. de C.V.	Mexico	exploration company
Minera Alondra, S.A. de C.V.	Mexico	holding company

Investments where the Company has the ability to exercise significant influence are accounted for using the equity method. Under this method, the Company's share of the investee's earnings or losses is included in operations and its investments therein are adjusted by a like amount. Dividends received from these investments are credited to the investment. The Company's 38.8% interest in Gold Mountain Mining Corporation is accounted for using the equity method. The Company accounts for its interest in jointly controlled assets by recognizing its share of the jointly controlled assets classified according to the nature of the assets.

Inter-company balances and transactions, including unrealised income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. Significant accounting policies *(Continued)*

(b) Foreign currencies

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Financial instruments

<u>Financial assets</u>

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives including contingent shares receivable, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in net income (loss).

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company classifies its cash and cash equivalents and accounts receivable as “loans and receivables”.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in net income (loss).

Available-for-sale - Non-derivative financial assets not included in the above categories and which include marketable securities are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in other comprehensive income and equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of significant or prolonged decline in value, the amount of the loss is removed from equity and recognized in net income (loss).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. Significant accounting policies *(Continued)*

(c) Financial instruments (continued)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in net income (loss).

Other financial liabilities - This category includes promissory notes, amounts due to related parties and trade and other payables, all of which are recognized at amortized cost.

(d) Cash, cash equivalents and short-term investments

Cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days. Short-term investments include money market instruments with terms to maturity exceeding ninety days.

(e) Inventory

Inventory is valued at the lower of the average cost of mining and estimated net realizable value.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost and are depreciated annually on a declining-balance basis at the following rates:

Automotive equipment	30%	
Furniture and fixtures	20%	
Computer hardware and software	30%	
Geological library	20%	
Field equipment	20%	
Leasehold improvements	20%	straight-line
Drill equipment	20%	

3. Significant accounting policies *(Continued)*

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales tax or duty. The following specific recognition criteria must also be met before revenue is recognized:

Interest income
Revenue is recognized as interest accrues (using the effective interest rate, that is, the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Other income
Revenue from other income consists of office rental and contract exploration services provided to third parties and is recognized upon completion of the services for which the measurement of the consideration can be reasonably assured and the ultimate collection is reasonably assured.

(h) Exploration and evaluation

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims to which the Company has rights and crediting all proceeds received for farm-out arrangements or recovery of costs against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of an impairment.

The Company considers the following facts and circumstances in determining if it should test exploration and evaluation assets for impairment:

a) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.

b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted or planned.

c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

3. Significant accounting policies *(Continued)*

(h) Exploration and evaluation (continued)

An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. General exploration costs in areas of interest in which the Company has not secured rights are expensed as incurred.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

Upon transfer of “Exploration and evaluation costs” into “Mine development”, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within “Mine development”. After production starts, all assets included in “Mine development” are transferred to “Producing mines”.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

(i) Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and finite life intangible assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

An asset’s recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

3. Significant accounting policies *(Continued)*

(i) Impairment of property, plant and equipment and intangible assets (continued)

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as additional depreciation. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the depreciation charge for the period.

(j) Income taxes

Deferred tax is recorded using the liability method, recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and other income tax deductions to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are not recognized if temporary differences arise from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates that have been substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax liabilities and assets on a net basis.

Current and deferred income tax expense or recovery are recognized in net earnings except when they arise as a result of items recognized in other comprehensive income or directly in equity in the current or prior periods, in which case the related current and deferred income taxes are also recognized in other comprehensive income or directly in equity, respectively.

Any premium paid for flow-through shares in excess of market value of those shares without the flow-through feature is recorded as other liabilities at the time of issue and recognized as a component of tax recovery at the time the qualifying expenditures are made.

3. Significant accounting policies *(Continued)*

(k) *Share-based payments*

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. The board of directors grants such option for periods of up to five years, with vesting periods determined at the sole discretion of the board and at prices equal to the volume weighted average price for the five days immediately preceding the date the options were granted.

The fair value of the options is measured at the date the options are granted, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity settled employee compensation reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

(l) *Reclamation and closure cost obligations*

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of exploration and evaluation assets. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying value of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has $12,500 (2011 - $109,000) of reclamation deposits held with the Ministry of Mines should any other reclamation and closure cost obligations arise from its obligations to undertake site reclamation and remediation in connection with its operating activities in British Columbia and $20,764 (2011 - $20,764) of reclamation deposits held with the State of Nevada should any asset retirement obligation arise from its obligations to undertake site reclamation and remediation in connection with its operating activities in Nevada.

When the Company enters into an option agreement on its exploration and evaluations assets, as part of the option agreement, responsibility for any reclamation and remediation becomes the responsibility of the optionee.

(m) *Net (loss) income per share*

The Company presents the basic and diluted net (loss) income per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted net (loss) income per share is determined by adjusting the net (loss) income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Presented in Canadian dollars

3. Significant accounting policies *(Continued)*

(n) Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") but not yet effective as at December 31, 2012. The Company intends to adopt these standards and interpretations when they become effective. The Company does not expect these standards to have an impact on its consolidated financial statements. Pronouncements that are not applicable to the Company have been excluded from those described below.

The following standards or amendments are effective for annual periods beginning on or after January 1, 2013.

i. IFRS 10 *Consolidated Financial Statements*

ii. IFRS 11 *Joint Arrangements*

iii. IFRS 12 *Disclosure of Interests in Other Entities*

iv. IFRS 13 *Fair Value Measurement*

v. IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

vi. IAS 1 *Presentation of Financial Statements*

vii. IAS 28 *Investments in Associates and Joint Ventures*

The following standards or amendments are effective for annual periods beginning on or after January 1, 2015.

i. IFRS 9 *Financial Instruments*

4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consist of the following:

	December 31, 2012	December 31, 2011
Accounts receivable	**$ 984,399**	$ 616,774
HST receivable	**114,204**	69,424
Allowance for doubtful accounts	**(79,485)**	(75,030)
Prepaid expenses	**552,511**	537,238
	$ 1,571,629	$ 1,148,406

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 period 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 year ended December 31, 2012, the Company determined that $3,856,819 (2011 - $987,600; 2010 - $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 December 31, 2012 is $2,666,437 (2011 - $2,547,173).

7. Investment in associate

Gold Mountain Mining Corporation

On July 26, 2011, the Company closed an Asset Sale Agreement under which Gold Mountain acquired 100% of the Elk gold deposit. 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. 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 gain (loss) during the year ended December 31, 2012 in the amount of $86,963 (2011 - $1,286,740; 2010 - $(151,926)). The fair value of the investment at December 31, 2012 is $8,025,000 (2011 - $14,177,500).

During the year ended December 31, 2012, the Company charged Gold Mountain $352,674 (2011 - $271,602) for expenditures relating to the Elk project and IP services undertaken on behalf of Gold Mountain. These amounts were valued at the exchange amount agreed to by the parties. The following table summarizes the financial information of Gold Mountain for its year ended December 31, 2012:

	December 31, 2012	December 31, 2011
Total assets	**$ 33,101,281**	$ 31,794,050
Total liabilities	**$ 2,145,327**	$ 628,018
Revenue	**$ 108,919**	$ 11,877
Loss	**$ 253,942**	$ 1,104,080

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 $90,000 (2011 - $144,000) based on management's best estimate of the fair value of the common shares as at December 31, 2012 and a loss on fair value adjustment of $54,000 (2011 - $Nil) in the statement of comprehensive (loss) income during the year ended December 31, 2012.

(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 $148,200 (2011 - $518,700) based on management's best estimate of the fair value of the common shares as at December 31, 2012 and a loss on fair value adjustment of $370,500 (2011 - $Nil) in the statement of comprehensive (loss) income during the year ended December 31, 2012.

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, 2011	**553,318**	**139,195**	**316,495**	**160,053**	**65,106**	**380,532**	**27,181**	**1,214,680**	**2,856,560**
Additions	21,599	-	10,500	44,364	-	39,870	-	278,685	395,018
Disposals	(42,822)	-	-	-	-	-	-	-	(42,822)
December 31, 2012	**532,095**	**139,195**	**326,995**	**204,417**	**65,106**	**420,402**	**27,181**	**1,493,365**	**3,208,756**
Accumulated depreciation									
December 31, 2011	**339,981**	**121,415**	**248,719**	**93,271**	**55,529**	**251,417**	**27,181**	**473,504**	**1,611,017**
Disposals	(38,730)	-	-	-	-	-	-	-	(38,730)
Depreciation	66,013	3,556	21,908	26,689	1,915	29,810	-	176,104	325,995
December 31, 2012	**367,264**	**124,971**	**270,627**	**119,960**	**57,444**	**281,227**	**27,181**	**649,608**	**1,898,282**
Carrying amounts									
December 31, 2011	213,337	17,780	67,776	66,782	9,577	129,115	-	741,176	**1,245,543**
December 31, 2012	**164,831**	**14,224**	**56,368**	**84,457**	**7,662**	**139,175**	**-**	**843,757**	**1,310,474**

Presented in Canadian dollars

9. Property, plant and equipment *(continued)*

	Automotive equipment	Furniture and fixtures	Computer hardware	Computer software	Geological library	Field equipment	Leasehold improvements	Drill equipment	Total
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Cost									
December 31, 2010	**469,818**	**138,625**	**270,861**	**133,918**	**65,106**	**367,740**	**27,181**	**760,180**	**2,233,429**
Additions	138,643	570	45,634	26,135	-	12,792	-	454,500	678,274
Disposals	(55,143)	-	-	-	-	-	-	-	(55,143)
December 31, 2011	**553,318**	**139,195**	**316,495**	**160,053**	**65,106**	**380,532**	**27,181**	**1,214,680**	**2,856,560**
Accumulated depreciation									
December 31, 2010	**309,008**	**117,041**	**229,451**	**70,251**	**53,135**	**220,737**	**26,059**	**345,022**	**1,370,704**
Disposals	(30,747)	-	-	-	-	-	-	-	(30,747)
Depreciation	61,720	4,374	19,268	23,020	2,394	30,680	1,122	128,482	271,060
December 31, 2011	**339,981**	**121,415**	**248,719**	**93,271**	**55,529**	**251,417**	**27,181**	**473,504**	**1,611,017**
Carrying amounts									
December 31, 2010	160,810	21,584	41,410	63,667	11,971	147,003	1,122	415,158	**862,725**
December 31, 2011	**213,337**	**17,780**	**67,776**	**66,782**	**9,577**	**129,115**	-	**741,176**	**1,245,543**

Presented in Canadian dollars

10. Exploration and evaluation assets

	Tuligtic	El Cobre	ATW	Willow	BP	Caldera	Other Properties	Total
Exploration and evaluation assets	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Acquisition costs								
Opening balance (December 31, 2011)	**231,059**	**45,599**	**46,451**	**148,254**	**110,047**	**50,205**	**385,110**	**1,016,725**
Additions	-	-	-	-	-	-	19,463	**19,463**
Proceeds from options	-	-	-	-	-	-	(47,500)	**(47,500)**
Proceeds received from options on exploration and evaluation assets in excess of cost-reclassified to income	-	-	-	-	-	-	47,500	**47,500**
Impairment of deferred acquisition costs	-	-	-	-	-	(50,204)	(309,513)	**(359,717)**
Closing balance (December 31, 2012)	**231,059**	**45,599**	**46,451**	**148,254**	**110,047**	**1**	**95,060**	**676,471**
Deferred exploration costs								
Opening balance (December 31, 2011)	**6,012,795**	**742,292**	**1,390,111**	**629,914**	**134,736**	**432,595**	**111,242**	**9,453,685**
Costs incurred during the year								
Drilling and related costs	2,843,049	-	-	-	-	-	-	**2,843,049**
Professional/technical fees	504,480	14,562	-	8,961	-	1,158	67,382	**596,543**
Claim maintenance/lease cost	257,218	29,069	15,551	22,032	34,694	30,360	283,912	**672,836**
Geochemical, metallurgy	2,302,880	23,398	-	-	-	-	71,587	**2,397,865**
Travel and accommodation	141,536	6,703	-	-	-	229	46,585	**195,054**
Geology, exploration	168,391	135,301	1,633	16,719	-	-	59,081	**381,125**
Supplies and misc.	54,726	1,370	70	-	-	1,970	5,833	**63,969**
Geophysical, geosciences	9,978	142,500	-	-	-	-	67,205	**219,683**
Reclamation, environmental	36,473	12,199	-	-	-	-	1,762	**50,433**
Recoveries	-	-	-	-	-	(30,824)	(1,300)	**(32,124)**
Impairment of deferred exploration costs	-	-	-	-	-	(435,488)	(473,651)	**(909,139)**
	6,318,731	**365,102**	**17,254**	**47,712**	**34,694**	**(432,595)**	**128,396**	**6,479,294**
Closing balance (December 31, 2012)	**12,331,526**	**1,107,394**	**1,407,365**	**677,626**	**169,430**	**-**	**239,638**	**15,932,979**
Total exploration and evaluation assets	**12,562,585**	**1,152,993**	**1,453,816**	**825,880**	**279,477**	**1**	**334,698**	**16,609,450**

Presented in Canadian dollars

10. Exploration and evaluation assets *(Continued)*

Exploration and evaluation assets	Tuligtic $	El Cobre $	ATW $	Willow $	BP $	Caldera $	Other Properties $	Total $
Acquisition costs								
Opening balance (December 31, 2010)	231,059	41,988	46,451	148,254	110,047	50,205	295,367	923,371
Additions	-	3,611	-	-		-	113,912	117,523
Impairment of deferred acquisition costs	-	-	-	-	-	-	(19,848)	(19,848)
Recoveries	-	-	-	-	-	-	(4,321)	(4,321)
Closing balance (December 31, 2011)	231,059	45,599	46,451	148,254	110,047	50,205	385,110	1,016,725
Deferred exploration costs								
Opening balance (December 31, 2010)	1,382,454	136,844	1,063,665	369,339	43,346	443,237	76,889	3,515,774
Costs incurred during the year								
Drilling and related costs	1,732,164	-	208,945	-	-	-	-	1,941,109
Professional/technical fees	566,859	18,340	25,571	23,777	-	2,449	131,013	768,009
Claim maintenance/lease cost	117,955	24,020	15,580	18,246	40,355	13,453	243,451	473,060
Geochemical	924,242	-	-	-	29,777	-	11,417	965,436
Travel and accommodation	321,981	25,741	-	-	4,607	3,964	41,893	398,186
Geology, engineering	382,971	179,266	76,315	-	16,650	-	-	655,202
Salaries and wages	180,881	3,643	-	-	-	135	9,201	193,860
Supplies and misc.	186,127	14,894	35	552	-	880	14,660	217,148
Geophysical, geosciences	203,143	489,500	-	218,000	-	-	16,273	926,916
Reclamation, environmental	14,018	7,000	-	-	-	-	-	21,018
Recoveries	-	(156,956)	-	-	-	(20,023)	(129,555)	(306,534)
Impairment of deferred exploration costs	-	-	-	-	-	-	(298,999)	(298,999)
Proceeds from options	-	-	-	-	-	(11,500)	-	(11,500)
Income from exploration and evaluation assets	-	-	-	-	-	-	(5,000)	(5,000)
	4,630,341	605,448	326,446	260,575	91,389	(10,642)	34,354	5,937,911
Closing balance (December 31, 2011)	6,012,795	742,292	1,390,111	629,914	134,735	432,595	111,243	9,453,685
Total exploration and evaluation assets	6,243,854	787,891	1,436,562	778,168	244,782	482,800	496,353	10,470,410

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 a 100% interest in the Tuligtic property by staking. This property contains the Ixtaca Zone.

(b) El Cobre

During 2011, the Company completed the sale of its 30% interest in the Caballo Blanco property to Goldgroup Mining Inc. ("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 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 by staking.

(e) BP

In 2010, the Company acquired a 100% interest in the BP property in Nevada by staking.

(f) Caldera

The Company acquired a 100% interest in the Caldera property by staking. During 2010, the Company entered into an agreement with Windstorm Resources Inc. ("Windstorm") to earn a 60% interest in the property. Windstorm would have had to incur exploration expenditures of US$5,000,000 and issue 1,000,000 shares to the Company within six years. During 2012, Windstorm terminated the Option Agreement. The Company recorded a write-down in 2012 of $485,693 (2011 - $Nil).

(g) Other

(i) Nicoamen River
The Company staked and acquired a 100% interest in the Nicoamen River property. During 2009, the Company entered into an agreement with Fairmont Resources Inc. ("Fairmont") to earn a 60% interest. During 2011, Fairmont terminated its option on the property.

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

10. Exploration and evaluation assets *(Continued)*

(g) ***Other*** *(continued)*

(iii) Merit
The Company acquired a 100% interest in the Merit property by staking. During 2010, the Company entered into an agreement with Sunburst Explorations Inc. ("Sunburst") to earn a 60% interest. Sunburst has to incur exploration expenditures of $3,000,000 and issue 700,000 shares to the Company within five years from the listing of the stock on the TSX Venture Exchange.

(iv) San Carlos / San Jose
The Company acquired a 100% interest in the San Carlos claims by staking and purchasing a 100% interest in the San Jose claim. The Company recorded a write-down in 2012 of $56,283 (2011 - $56,195).

(v) Yago
The Company acquired a 100% interest in the Tepic claim by staking and purchasing a 100% interest in the La Sarda, Guadalupe and Sagitario claims. During 2006, the Company entered into an agreement to acquire a 100% interest in the Gallo de Oro claim. During 2007, the Company acquired a 100% interest in the As de Oro claim. The Company recorded a write-down in 2012 of $111,162 (2011 - $77,479).

(vii) 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 was paid, representing 20% of the purchase price. 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. During 2008, the Company paid the remainder of the purchase price outright. The bond in the amount of $446,964 was returned to the Company and the bond for the purchase of the NSR royalty will remain in place until the NSR is purchased. The Company subsequently entered into an agreement with Golden Minerals Company ("Golden Minerals") formerly Apex Silver Mines Limited to earn a 60% interest. Golden Minerals 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 (received). The Company recorded a write-down in 2012 of $271,979 (2011 - $Nil).

(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 $343,739 during the year ended December 31, 2012 (2011 - $185,175).

11. Share capital and reserves

(a) Authorized share capital

At December 31, 2012, 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.

(b) Details of private placement and other issues of common shares in 2011 and 2010 are as follows:

On October 14, 2011, the Company issued 10,000 common shares at a deemed value of $2.55 per share as a payment to modify the Caballo Blanco royalty agreement.

The Company issued 100,000 common flow-through shares on February 24, 2011 on a private placement basis at a price of $4.00 per share, after incurring issue costs of $19,257. Cash commissions totalling $4,800 were paid. The premium above market value on the shares issued was $20,000 and it was recorded as a tax recovery when the related qualifying expenditures were made.

The Company issued 81,200 common flow-through shares on October 13, 2010 on a private placement basis at a price of $3.50 per share, after incurring issue costs of $14,175. Cash commissions totalling $8,400 were paid.

The Company issued 3,000,000 common shares on September 22, 2010 on a private placement basis at a price of $2.50 per share. Cash commissions, a corporate finance fee and related expenses totalled $650,500. On September 28, 2010, the Company issued a further 450,000 common shares at a price of $2.50 per share on the closing of the over-allotment option portion of the September 22, 2010 private placement. Cash commissions and expenses totalling $82,045 were paid.

The Company issued 1,003,821 common flow-through shares on June 29, 2010 on a private placement basis at a price of $1.20 per share, after incurring issue costs of $116,712. 49,997 broker's warrants entitling the brokers to purchase 49,997 shares at $1.20 per shares until June 29, 2011 were issued to brokers in respect of this placement. The fair value of the broker's warrants of $7,500 was allocated to share capital and reserves for warrants.

The Company issued 350,000 units on March 16, 2010 on a private placement basis at a price of $1.00 per unit, after incurring issue costs of $32,078. Each unit consists of one common flow-through share and one-half of a non-flow-through warrant with each whole warrant entitling the holder to purchase one additional common share at a price of $1.00 per share until March 16, 2011. 4,375 non-flow-through common shares and 2,625 flow-through shares were issued to finders in respect of this placement. The fair value of the warrants issued as part of the private placement of $28,000 was allocated to share capital and reserves for warrants.

Presented in Canadian dollars

11. Share capital and reserves *(Continued)*

(c) Warrants

No warrants were granted nor exercised during the year ended December 31, 2012. There were no warrants outstanding at December 31, 2012 and 2011.

The continuity of warrants for the years ended December 31, 2011 and 2010 are as follows:

Expiry date	Exercise price	December 31, 2010	Granted	Exercised	Expired	December 31, 2011
December 17, 2011	$ 0.85	236,000	-	236,000	-	-
December 17, 2011	$ 1.40	1,180,500	-	1,180,500	-	-
March 16, 2011	$ 1.25	40,000	-	40,000	-	-
June 29, 2011	$ 1.20	24,999	-	24,999	-	-
		1,481,499	**-**	**(1,481,499)**	**-**	**-**
Weighted average exercise price		$ 1.30	-	$ 1.30	-	-

Expiry date	Exercise Price	December 31, 2009	Granted	Exercised	Expired	December 31, 2010
March 20, 2010	$ 3.00	25,000	-	-	(25,000)	-
September 30, 2010	$ 1.15	113,158	-	113,158	-	-
December 17, 2011	$ 0.85	236,000	-	-	-	236,000
December 17, 2011	$ 1.40	1,648,000	-	467,500	-	1,180,500
March 16, 2011	$ 1.25	-	175,000	135,000	-	40,000
June 29, 2011	$ 1.20	-	49,997	24,998	-	24,999
		2,022,158	**224,997**	**(740,656)**	**(25,000)**	**1,481,499**
Weighted average exercise price		$ 1.34	$ 1.24	$1.33	$ 3.00	$ 1.30

On March 31, 2010, the Company extended the expiry date of 113,158 warrants for six months. There was no significant change in fair value for the modification of these warrants recalculated on the extension date.

The fair value of the 49,997 warrants issued June 29, 2010 was estimated at $7,500 using the Black-Scholes option pricing model based on the following weighted average assumptions: risk free interest rate of 1.54%; expected life of 1 year; dividend rate of 0%; and volatility of 58.29%.

The fair value of the 175,000 warrants issued March 16, 2010 was estimated at $28,000 using the Black-Scholes option pricing model based on the following weighted average assumptions: risk free interest rate of 1.63%; expected life of 1 year; dividend rate of 0%; and volatility of 67.14%.

Presented in Canadian dollars

11. Share capital and reserves *(Continued)*

(d) 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 December 31, 2012, the Company had reserved 82,232 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 year ended December 31, 2012 vested on the date granted. The continuity of stock options for the years ended December 31, 2012, 2011 and 2010 are as follows:

Expiry date	Exercise price	December 31, 2011	Granted	Exercised	Expired/ cancelled	December 31, 2012,
March 25, 2012	$ 3.90	45,000	-	-	(45,000)	-
September 10, 2012	$ 2.32	500,000	-	(500,000)	-	-
November 1, 2012	$ 2.72	60,000	-	-	(60,000)	-
November 15, 2012	$ 2.68	100,000	-	-	(100,000)	-
December 13, 2012	$ 4.30	25,000	-	-	(25,000)	-
March 17, 2013	$ 2.35	40,000	-	-	-	40,000
April 12, 2013	$ 2.36	-	25,000	-	-	25,000
December 29, 2013	$ 0.68	125,000	-	-	-	125,000
May 4, 2014	$ 2.18	-	65,000	-	-	65,000
July 13, 2014	$ 1.96	-	170,000	-	-	170,000
November 22, 2014	$ 2.53	-	60,000	-	-	60,000
November 25, 2014	$ 0.81	150,000	-	-	-	150,000
January 4, 2015	$ 1.14	1,040,000	-	-	-	1,040,000
June 21, 2015	$ 1.00	240,000	-	(100,000)	-	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	125,000	-	-	-	125,000
June 8, 2016	$ 3.29	2,320,000	-	-	-	2,320,000
August 15, 2016	$ 2.93	200,000	-	-	-	200,000
May 4, 2017	$ 2.18	-	250,000	-	-	250,000
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
Options outstanding and exercisable		**5,475,000**	**1,245,000**	**(600,000)**	**(230,000)**	**5,890,000**
Weighted average exercise price		$ 2.39	$ 2.38	$ 2.10	$ 3.11	$ 2.39

Presented in Canadian dollars

11. Share capital and reserves *(Continued)*

(d) ***Share purchase option compensation plan*** *(continued)*

Expiry date	Exercise price	December 31, 2010	Granted	Exercised	Expired/ cancelled	December 31, 2011
July 6, 2011	$ 2.50	1,695,000	-	1,695,000	-	-
November 22, 2011	$ 2.73	100,000	-	-	100,000	-
March 25, 2012	$ 3.90	-	45,000	-	-	45,000
September 10, 2012	$ 2.32	500,000	-	-	-	500,000
November 1, 2012	$ 2.72	-	60,000	-	-	60,000
November 15, 2012	$ 2.68	100,000	-	-	-	100,000
December 13, 2012	$ 2.52	50,000	-	50,000	-	-
December 13, 2012	$ 4.30	25,000	-	-	-	25,000
March 17, 2013	$ 2.35	40,000	-	-	-	40,000
December 29, 2013	$ 0.68	125,000	-	-	-	125,000
November 25, 2014	$ 0.81	150,000	-	-	-	150,000
January 4, 2015	$ 1.14	1,090,000	-	50,000	-	1,040,000
April 7, 2015	$ 0.94	35,000	-	35,000	-	-
June 21, 2015	$ 1.00	240,000	-	-	-	240,000
July 16, 2015	$ 0.92	200,000	-	-	-	200,000
August 27, 2015	$ 2.22	355,000	-	150,000	-	205,000
September 20, 2015	$ 2.67	100,000	-	-	-	100,000
November 22, 2015	$ 2.73	175,000	-	50,000	-	125,000
June 8, 2016	$ 3.29	-	2,320,000	-	-	2,320,000
August 15, 2016	$ 2.93	-	200,000	-	-	200,000
Options outstanding and exercisable		**4,980,000**	**2,625,000**	**2,030,000**	**100,000**	**5,475,000**
Weighted average exercise price		$ 1.95	$ 3.26	$ 2.43	$ 2.73	$ 2.39

Presented in Canadian dollars

11. Share capital and reserves *(Continued)*

(d) Share purchase option compensation plan *(Continued)*

Expiry date	Exercise Price	December 31, 2009	Granted	Exercised	Expired/ cancelled	December 31, 2010
June 17, 2010	$ 1.79	240,000	-	-	(240,000)	-
September 15, 2010	$ 1.07	140,000	-	(140,000)	-	-
July 6, 2011	$ 2.50	1,795,000	-	(100,000)	-	1,695,000
November 22, 2011	$ 2.73	-	100,000	-	-	100,000
September 10, 2012	$ 2.32	500,000	-	-	-	500,000
November 15, 2012	$ 2.68	100,000	-	-	-	100,000
December 13, 2012	$ 2.52	50,000	-	-	-	50,000
December 13, 2012	$ 4.30	-	25,000	-	-	25,000
March 17, 2013	$ 2.35	40,000	-	-	-	40,000
December 29, 2013	$ 0.68	655,000	-	(530,000)	-	125,000
November 25, 2014	$ 0.81	150,000	-	-	-	150,000
January 4, 2015	$ 1.14	-	1,140,000	(50,000)	-	1,090,000
April 7, 2015	$ 0.94	-	75,000	(40,000)	-	35,000
June 21, 2015	$ 1.00	-	240,000	-	-	240,000
July 16, 2015	$ 0.92	-	210,000	(10,000)	-	200,000
August 27, 2015	$ 2.22	-	380,000	(25,000)	-	355,000
September 20, 2015	$ 2.67	-	100,000	-	-	100,000
November 22, 2015	$ 2.73	-	175,000	-	-	175,000
Options outstanding and exercisable		**3,670,000**	**2,445,000**	**(895,000)**	**(240,000)**	**4,980,000**
Weighted average exercise price		$ 1.98	$ 1.55	$ 1.03	$ 1.79	$ 1.95

Presented in Canadian dollars

11. Share capital and reserves *(Continued)*

The weighted average fair value of options granted during the years ended December 31, 2012, 2011, and 2010, calculated using the Black-Scholes model at grant date, are as follows:

		Weighted average assumptions used				
Number of options	Date of grant	Fair value per share	Risk free interest rate	Expected life (in years)	Expected volatility	Expected dividends
100,000	November 22, 2012	$1.58	1.37%	5	77.91%	$Nil
60,000	November 22, 2012	$0.72	1.17%	2	50.80%	$Nil
500,000	September 11, 2012	$1.76	1.22%	5	77.87%	$Nil
170,000	July 13, 2012	$0.80	1.07%	2	76.42%	$Nil
75,000	June 8, 2012	$1.63	1.20%	5	74.66%	$Nil
250,000	May 4, 2012	$2.03	1.20%	5	75.79%	$Nil
65,000	May 4, 2012	$1.05	1.00%	1.5	75.79%	$Nil
25,000	April 12, 2012	$0.74	1.00%	1	76.46%	$Nil
60,000	November 1, 2011	$0.86	0.99%	1	78.13%	$Nil
200,000	August 15, 2011	$2.17	1.30%	5	77.10%	$Nil
2,320,000	June 8, 2011	$1.89	2.10%	5	76.58%	$Nil
45,000	March 25, 2011	$1.34	1.72%	1	90.17%	$Nil
25,000	December 13, 2010	$1.67	1.70%	2	70.94%	$Nil
175,000	November 22, 2010	$1.85	2.24%	5	70.18%	$Nil
100,000	November 22, 2010	$0.86	1.70%	1	70.47%	$Nil
100,000	September 20, 2010	$1.56	2.00%	5	69.44%	$Nil
380,000	August 27, 2010	$1.19	2.00%	5	68.86%	$Nil
210,000	July 16, 2010	$0.52	2.00%	5	65.67%	$Nil
240,000	June 21, 2010	$0.54	2.59%	5	66.46%	$Nil
75,000	April 7, 2010	$0.62	2.59%	4	69.02%	$Nil
1,140,000	January 4, 2010	$0.67	2.59%	5	65.27%	$Nil

Presented in Canadian dollars

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, the Chief Financial Officer and the former Vice-President-Mining. The aggregate compensation paid or payable to key management for services is as follows:

	December 31, 2012		December 31, 2011		December 31, 2010	
Salaries, fees and benefits	**$ 828,488**	(i)	$ 722,157	(iii)	$ 470,875	(v)
Share based compensation	**1,468,500**	(ii)	3,883,250	(iv)	1,862,500	(vi)
Director's fees	**39,000**		33,000		33,000	
	$ 2,335,988		$ 4,638,407		$ 2,366,375	

(i) Hawk Mountain Resources Ltd. ("Hawk Mountain"), a private company controlled by the Chairman of the Company, was paid $315,000 for geological services provided to the Company and is recorded in general exploration expenses.

(ii) Comprised of 925,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 250,000 option-based awards is based on the fair value of the awards ($1.32) calculated using the Black-Scholes model at the May 4, 2012 grant date. The value of 75,000 option-based awards is based on the fair value of the awards ($1.34) calculated using the Black-Scholes model at the June 8, 2012 grant date. The value of 500,000 option-based awards is based on the fair value of the awards ($1.76) calculated using the Black-Scholes model at the September 11, 2012 grant date. The value of 100,000 option-based awards is based on the fair value of the awards ($1.58) calculated using the Black-Scholes model at the November 22, 2012 grant date.

(iii) Hawk Mountain was paid $268,050 for geological services provided to the Company and is recorded in general exploration expenses.

(iv) Comprised of 2,025,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 1,825,000 option-based awards is based on the fair value of the awards ($1.89) calculated using the Black-Scholes model at the June 8, 2011 grant date. The value of 200,000 option-based awards is based on the fair value of the awards ($2.17) calculated using the Black-Scholes model at the August 15, 2011 grant date.

(v) Hawk Mountain was paid $148,750 for geological services provided to the Company and is recorded in general exploration expenses.

12. Related party transactions and balances *(Continued)*

(a) Compensation of key management personnel (continued)

(vi) Comprised of 1,065,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 75,000 option-based awards is based on the fair value of the awards ($0.94) calculated using the Black-Scholes model at the April 7, 2010 grant date. The value of 240,000 option-based awards is based on the fair value of the awards ($1.00) calculated using the Black-Scholes model at the June 21, 2010 grant date. The value of 200,000 option-based awards is based on the fair value of the awards ($0.92) calculated using the Black-Scholes model at the July 16, 2010 grant date. The value of 50,000 option-based awards is based on the fair value of the awards ($2.22) calculated using the Black-Scholes model at the August 22, 2010 grant date. The value of 200,000 option-based awards is based on the fair value of the awards ($2.22) calculated using the Black-Scholes model at the August 27, 2010 grant date. The value of 100,000 option-based awards is based on the fair value of the awards ($2.67) calculated using the Black-Scholes model at the September 20, 2010 grant date. The value of 200,000 option-based awards is based on the fair value of the awards ($2.73) calculated using the Black-Scholes model at the November 22, 2010 grant date.

(b) Other related party transactions

i) Gold Mountain Mining Corporation ("Gold Mountain")

Gold Mountain has two Directors, Duane Poliquin and Morgan Poliquin, in common with Almaden, and Almaden owns 38.8% of Gold Mountain's common shares (See Note 7).

During the year ended December 31, 2012, the Company charged Gold Mountain $352,674 (2011 - $271,602; 2010 - $Nil) for exploration expenditures relating to the Elk project and surveys undertaken on behalf of Gold Mountain. These amounts were valued at the exchange amount agreed to by the parties. At December 31, 2012, Gold Mountain owed the Company $180,019 (2011 - $271,602; 2010 - $Nil).

ii) Blue Sky Uranium Corp. (formerly Windstorm Resources Ltd.) ("Windstorm")

Prior to July 5, 2012, a Director of Almaden, Gerald Carlson was also Windstorm's former President and Director.

In September 2010, the Company optioned the Caldera property to Windstorm such that Windstorm could have earned a 60% interest in the property. On June 4, 2012, Windstorm terminated the Option Agreement.

iii) ATW Resources Ltd. ("ATW")

Almaden owns a 50% interest in this company which holds title in trust for a mineral property. The Company has two directors, Duane Poliquin and James McInnes, in common with ATW.

Presented in Canadian dollars

12. Related party transactions and balances *(Continued)*

(b) Other related party transactions (continued)

iv) Other

(a) During the year ended December 31, 2012, the Company paid a company controlled by a Director of the Company $Nil (2011 - $5,000; 2010 - $Nil) for consulting services provided to the Company.

(b) During the year ended December 31, 2012, the Company paid a company controlled by a Director of the Company, $488 (2011 - $1,325; 2010 - $Nil) for accounting services provided to the Company.

(c) During the year ended December 31, 2012, an additional $12,000 was paid to Hawk Mountain for marketing and general administration services provided by the spouse of the Chairman (2011 - $30,475; 2010 - $79,350).

(d) During the year ended December 31, 2012, the Company employed the Chairman's daughter for a salary of $62,216 less statutory deductions (2011 - $29,358; 2010 - $Nil) 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:

	Year ended		
	December 31, 2012	December 31, 2011	December 31, 2010
Sale of Elk property (Note 7)	**$ -**	$ 4,266,166	$ -
Sale of Caballo Blanco property (Note 10(b))	**-**	10,801,320	-
Sale of Bufa property	-	-	1,754,948
Sale of Tropico property	-	-	153,482
Other	**47,500**	4,999	15,000
	$ 47,500	$ 15,072,485	$ 1,923,430

14. Net (loss) income per share

Basic and diluted net (loss) income per share

The calculation of basic net (loss) income per share for the year ended December 31, 2012 was based on the (loss) income attributable to common shareholders of $(10,238,377) (2011 - $7,294,858; 2010 – ($3,464,652)) and a weighted average number of common shares outstanding of 59,349,992 (2011 – 57,268,649; 2010 – 51,187,561).

The calculation of diluted net (loss) per share for the year ended December 31, 2012 did not include the effect of stock options as they are anti-dilutive. The calculation of diluted net income per share for the year ended December 31, 2011 includes the weighted average number of common shares outstanding adjusted for the effects of all dilutive potential common shares, which comprise of 1,791,544 stock options and 692,502 warrants. For the year-ended December 31, 2010, diluted net loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

Presented in Canadian dollars

15. Supplemental cash flow information

Supplemental information regarding non-cash transactions is as follows:

	December 31, 2012	December 31, 2011	December 31, 2010
Investing activities			
Fair value of share options transferred to share capital on exercise of options	**$ 624,000**	$ 2,546,300	$ 533,250
Fair value of warrants transferred to share capital on exercise of warrants	**-**	711,305	306,180
Fair value of warrants upon completion of private placement	**-**	-	35,550
Shares received on sale of Caballo Blanco property	**-**	7,727,300	-
Shares received on sale of Elk property	**-**	10,206,250	-
Shares received on sale of Tropico property	**-**	-	153,600
Shares received on sale of Bufa property	**-**	-	1,770,000
Shares received on option of Dill property	**17,500**		

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

	December 31, 2012	December 31, 2011
Cash	**$ 11,187,358**	$ 7,390,793
Term Deposits	**5,300,050**	-
Government of Canada (T-Bills)	**-**	9,998,700
Bankers Acceptance	**-**	3,794,666
	$ 16,487,408	$ 21,184,159

Presented in Canadian dollars

16. Income taxes

(a) The provision for income taxes differs from the amounts computed by applying the Canadian statutory rates to the net (loss) income before income taxes due to the following:

	December 31, 2012	December 31, 2011
Net (loss) income before income taxes	**$ (10,238,377)**	$ 7,274,858
Statutory rate	**25.0%**	26.5%
Expected income tax	**(2,559,594)**	1,927,837
Effect of different tax rates in foreign jurisdictions	**(63,945)**	(27,226)
Non-deductible stock based compensation	**428,749**	1,306,636
Other permanent items	**681,626**	311,122
Change in deferred tax assets not recognized	**1,757,082**	(111,343)
Other	**(243,918)**	-
Change in expected reversal rate on temporary difference	**-**	(916,280)
Impact of deferred tax rates applied vs. current statutory rates	**-**	(206,996)
Impact of capital gains rate on tax deferred sale	**-**	(1,141,875)
Unrecognized DITL on investment in associates	**-**	(1,141,875)
Tax recovery on flow-through shares	**-**	(20,000)
	$ -	$ (20,000)

The Canadian Federal corporate tax rate decreased from 16.5% to 15% in 2012. The reduction in tax rates resulted in an overall decrease in the Company's statutory tax rate from 26.5% to 25%.

Presented in Canadian dollars

16. Income taxes *(Continued)*

(b) The significant components of deferred income tax assets (liabilities) are as follows:

	December 31, 2012	December 31, 2011
Deferred tax assets		
Non-capital losses	**$ 1,916,686**	$ -
Exploration and evaluation assets	**-**	129,675
Property, plant and equipment	**1,584**	-
	1,918,270	129,675
Deferred tax liabilities		
Exploration and evaluation assets	**(1,881,220)**	-
Contingent shares receivable	**(37,050)**	(129,675)
	(1,918,270)	(129,675)
Net deferred tax assets (liabilities)	**$ -**	$ -

(c) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	December 31, 2012	December 31, 2011
Non-capital loss carryforwards	**$ 9,332,601**	$ 4,142,123
Capital loss carryforwards	**1,887,677**	1,729,781
Exploration and evaluation assets	**4,496,451**	3,673,272
Share issue costs	**406,198**	630,475
Property, plant and equipment	**136,964**	2,234,113
Cumulative eligible capital deduction	**120,906**	65,408
Marketable securities	**4,104,998**	2,277,917
	$ 20,485,795	$ 14,753,089

At December 31, 2012, the Company had operating loss carryforwards available for tax purposes in Canada of $2,020,006 (2011 - $16,300) which expire between 2028 and 2032 and in Mexico of $14,141,479 (2011 - $4,125,823) which expire between 2013 and 2022.

Taxable temporary differences in relation to investments in associates for which a deferred tax liability has not been recognized is $6.4 million (2011 - $7.1 million).

17. 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 December 31, 2012, the remaining payments for the executive contract and the operating lease are due as follows:

	2013	2014	2015	2016	2017	Total
Office lease	$ 67,000	$ 75,000	$ 81,000	$ 6,700	$ -	$ 229,700
Executive contracts	505,000	505,000	-	-	-	1,010,000
	$572,000	$580,000	$ 81,000	$ 6,700	$ -	$1,239,700

18. 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 December 31, 2012, 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	$ 634,214	$ 41,540
Accounts receivable and prepaid expenses	-	530,121
Total assets	$ 634,214	$ 571,661
Trade and other payables	$ 40,800	$ 11,520
Total liabilities	$ 40,800	$ 11,520
Net assets	$ 593,414	$ 560,141

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net income by $65,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's net income by $4,000.

18. Financial instruments *(Continued)*

(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 HST and VAT receivables consist primarily of harmonized sales tax due from the federal government of Canada and value-added tax due from the government of Mexico. 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 December 31, 2012, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents and accounts receivable.

(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 $165,000.

(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 $27,000.

18. Financial instruments *(Continued)*

(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	$ 2,201,808	$ -	$ -	$ 2,201,808

19. 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.

Presented in Canadian dollars

20 Segmented information

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

The Company has non-current tangible assets in the following geographic locations:

	December 31, 2012	December 31, 2011
Canada	$ 2,564,122	$ 6,135,926
United States	1,105,361	1,072,760
Mexico	14,250,441	4,507,267
	$ 17,919,924	$ 11,715,953

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

Almaden Minerals Ltd. **Schedule 1**

Consolidated schedule of general and administrative expenses

(Expressed in Canadian dollars)

	Year ended December 31,		
	2012	2011	2010
	$	$	$
Professional fees	**483,250**	495,665	349,648
Salaries and benefits	**535,081**	296,544	129,370
Travel and promotion	**368,481**	289,425	221,665
Depreciation	**325,995**	271,061	189,580
Office and license	**183,256**	260,187	146,390
Rent	**158,334**	164,919	165,126
Stock exchange fees	**106,901**	131,539	124,909
Insurance	**103,536**	107,645	110,884
Transfer agent fees	**22,676**	45,617	22,544
Directors fees	**39,000**	33,495	33,495
Bad debt expense	**4,455**	-	-
	2,330,965	2,096,097	1,493,611