Consolidated financial statements of

Almaden Minerals Ltd.

For the year ended December 31, 2011

Almaden Minerals Ltd.

December 31, 2011

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Deloitte & Touche LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 604-685-0395
www.deloitte.ca

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, 2011 and 2010 and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for each of the years ended December 31, 2011, 2010 and 2009 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, 2011 and 2010 and their financial performance and cash flows for each of the years ended December 31, 2011, 2010 and 2009 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, 2011, 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, 2012 expressed an unqualified opinion on the Company’s internal control over financial reporting.

(Signed) Deloitte & Touche LLP

Independent Registered Chartered Accountants
Vancouver, Canada
March 27, 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 internal control over financial reporting of Almaden Minerals Ltd. and subsidiaries (the "Company") as of December 31, 2011, 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, 2011, 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, 2011 of the Company and our report dated March 27, 2012 expressed an unqualified opinion on those financial statements.

(Signed) Deloitte & Touche LLP

Independent Registered Chartered Accountants
Vancouver, Canada
March 27, 2012

Almaden Minerals Ltd.

Consolidated statements of financial position

(Expressed in Canadian dollars)

	December 31, 2011	December 31, 2010
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 15)	**21,184,159**	16,087,832
Accounts receivable and prepaid expenses (Note 4)	**1,148,406**	538,400
Marketable securities (Note 5)	**8,471,167**	1,851,883
Short term investment	**-**	2,000,000
Inventory (Note 6)	**274,768**	274,768
Assets classified as held for sale (Note 20)	**-**	9,083,633
	31,078,500	29,836,516
Non-current assets		
Investments in associates (Note 7)	**10,179,423**	941,276
Exploration and evaluation assets deposit (Note 9(h)(vi))	**138,929**	138,929
Reclamation deposit	**129,764**	124,764
Contingent shares receivable (Note 9(a) and (d))	**662,700**	-
Property, plant and equipment (Note 8)	**1,245,543**	862,725
Exploration and evaluation assets (Note 9)	**10,470,410**	4,439,145
	22,826,769	6,506,839
TOTAL ASSETS	**53,905,269**	36,343,355
LIABILITIES		
Current liabilities		
Trade and other payables	**565,097**	372,889
Deferred exploration advances payable	**-**	156,956
Liabilities directly associated with assets classified as held for sale (Note 20)	**-**	119,636
	565,097	649,481
EQUITY		
Share capital (Note 10)	**73,353,977**	62,853,930
Reserves (Note 10)	**6,861,644**	7,010,251
Deficit	**(26,875,449)**	(34,170,307)
	53,340,172	35,693,874
TOTAL EQUITY AND LIABILITIES	**53,905,269**	36,343,355

Commitments (Note 17)

These consolidated financial statements are authorized for issue by the Board of Directors on March 27, 2012.
They are signed on the Company's behalf by:

/s/Duane Poliquin
Director

/s/James E. McInnes
Director

Almaden Minerals Ltd.

Consolidated statements of comprehensive income (loss)

(Expressed in Canadian dollars)

	Years ended December 31,		
	2011	2010	2009
	$	$	$
Revenue			
Interest income	**161,664**	38,589	169,458
Drilling services	**-**	-	2,112,832
Other income	**87,048**	195,286	158,329
	248,712	233,875	2,440,619
Expenses (income)			
Drilling services expenses	**-**	-	1,218,518
Impairment of exploration and evaluation assets	**318,847**	725,951	890,811
Recovery in value of mineral properties	**-**	(84,323)	-
General and administrative expenses (Schedule 1)	**2,096,097**	1,493,611	1,291,253
Income on sale of mineral property interests (Note 13)	**(15,072,485)**	(1,923,430)	(77,360)
General exploration expenses	**961,992**	646,358	665,055
Share-based payments	**4,930,700**	2,108,800	67,500
	(6,764,849)	2,966,967	4,055,777
Operating income (loss)	**7,013,561**	(2,733,092)	(1,615,158)
Other income (loss)			
Gain (loss) on investment in associate (Note 7)	**1,286,740**	(151,926)	(90,908)
Loss on dilution of equity investments (Note 7)	**(122,843)**	(168,449)	(196,476)
Impairment of marketable securities (Note 5)	**(987,600)**	-	(80,600)
Gain (loss) on sale of marketable securities	**149,069**	(556,753)	(26,790)
Gain (loss) on sale of property, plant and equipment	**(9,374)**	2,836	-
Foreign exchange loss	**(54,695)**	(163,034)	(415,755)
Income (loss) before income taxes	**7,274,858**	(3,770,418)	(2,425,687)
Income tax recovery (Note 16)	**20,000**	305,766	139,728
Net income (loss) for the year	**7,294,858**	(3,464,652)	(2,285,959)
Other comprehensive (loss) income			
Net change in fair value of available-for-sale financial assets, net of tax of nil	**(1,673,674)**	149,738	596,051
Reclassification adjustment relating to available-for-sale financial assets disposed of in the year, net of tax of nil	**(148,028)**	556,753	26,240
Other comprehensive (loss) income for the year	**(1,821,702)**	706,491	622,291
Total comprehensive income (loss) for the year	**5,473,156**	(2,758,161)	(1,663,668)
Basic net income (loss) per share (Note 14)	**0.13**	(0.07)	(0.05)
Diluted net income (loss) per share (Note 14)	**0.12**	(0.07)	(0.05)

Almaden Minerals Ltd.

Consolidated statements of cash flows

(Expressed in Canadian dollars)

		Years ended December 31,	
	2011	2010	2009
	$	$	$
Operating activities			
Net income (loss) for the year	**7,294,858**	(3,464,652)	(2,285,959)
Items not affecting cash			
Deferred income tax recovery	**(20,000)**	(305,766)	(139,728)
(Gain) loss on investment in associate	**(1,286,740)**	151,926	90,908
Loss on dilution	**122,843**	168,449	196,476
Depreciation	**271,061**	189,580	169,973
(Gain) loss on sale of marketable securities	**(149,069)**	556,753	26,790
Impairment of marketable securities	**987,600**	-	80,600
Non-cash portion of income on sale			
of mineral property interests	**(15,067,486)**	(1,923,430)	(77,360)
Impairment of interest in mineral properties	**318,847**	725,951	890,811
Recovery in value of mineral properties	**-**	(84,323)	-
Share-based payments	**4,930,700**	2,108,800	67,500
Gain (loss) on sale of property, plant and equipment	**9,374**	(2,836)	-
Changes in non-cash working capital components			
Accounts receivable and prepaid expenses	**(610,006)**	163,827	(299,515)
Trade and other payables	**(213,672)**	19,326	147,625
Deferred exploration advances payable	**(156,956)**	156,956	-
Net cashed used in operating activities	**(3,568,646)**	(1,539,439)	(1,131,879)
Investing activities			
Reclamation deposit	**(5,000)**	(40,764)	(2,500)
Short term investment	**2,000,000**	(2,000,000)	-
Marketable securities			
Purchases	**-**	(1,550)	-
Net proceeds	**579,783**	1,009,484	103,217
Property, plant and equipment			
Purchases	**(678,274)**	(502,822)	(31,494)
Net proceeds	**15,022**	5,190	-
Assets classified as held for sale	**(182,713)**	-	-
Mineral properties			
Costs	**(6,197,667)**	(5,478,095)	(933,783)
Net proceeds on disposal	**5,871,380**	15,000	119,958
Net cash from (used in) investing activities	**1,402,531**	(6,993,557)	(744,602)
Financing activity			
Issuance of shares, net of share issue costs of $19,257	**7,262,442**	11,478,157	2,700,202
Net cash from financing activity	**7,262,442**	11,478,157	2,700,202
Net cash inflows	**5,096,327**	2,945,161	823,721
Cash and cash equivalents, beginning of year	**16,087,832**	13,142,671	12,318,950
Cash and cash equivalents, end of year	**21,184,159**	16,087,832	13,142,671

Supplemental cash and cash equivalents information - Note 15

Interest paid	**-**	**-**	-
Interest received	**161,664**	**38,589**	169,458
Taxes paid	**-**	**-**	-
Taxes received	**-**	**-**	-

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, 2009	45,525,829	49,159,392	4,509,023	176,741	(1,358,650)	3,327,114	(28,419,696)	24,066,810
Shares issued for cash on exercise of stock options	154,000	59,752	-	-	-	-	-	59,752
Fair value of share options transferred to share capital on exercise of options	-	-	-	-	-	-	-	-
Share-based payments	-	-	67,500	-	-	67,500	-	67,500
Private placements	3,293,316	1,658,465	-	981,985	-	981,985	-	2,640,450
Total comprehensive loss for the year	-	-	-	-	622,291	622,291	(2,285,959)	(1,663,668)
Balance, December 31, 2009	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 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**

1. Nature of operations

Almaden Minerals Ltd. (the "Company" or "Almaden") isform by amalgamation under the laws of the Province of British Columbia, Canada, and itsprincipal business activity is the exploration of mineral properties. The address of the Company's registered office is Suite 950 –1199 West Hastings Street, Vancouver, BC, Canada V6E 3T5. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economicallyrecoverable 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 mineral properties.

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 i ssued by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee ("IFRIC").

(b) Basis of preparation

These consolidated financial statements have been pr epared 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, 2011.

(c) Functional currency

The presentation currency of the Company and thefunctional 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 liabilitiesat the date of the financial statements and reported amounts of expensesduring the reporting period. Actual outcomes could differ from these judgements and estimates. The consolidated financial statements include judgements and estimates which, bytheir 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 ot her sources of judgements and estimates that management has made at the statement of financial pos ition date, that could result in a material 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:

2. Basis of preparation *(Continued)*

(d) *Significant accounting judgments and estimates (continued)*

Critical Judgments

- The assessment that the Company has significant influence over the investment in Gold Mountain Mining Corporation ("Gold Mountain") (Note 7(ii)) which results in the use of the equity accounting method for accounting for this investment. In making their judgement, management considered the composition of the Board of Directors of its equity investment in 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.

- In addition the Company determined in 2011 that it no longer has significant influence over its investment in Tarsis Resources Ltd. (Note 7(i)).

- 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 amounts receivable and prepayments 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;
- 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 purchase option expense in the consolidated statement of comprehensive loss;
- the provision for income taxes which is included in the consolidation statements of comprehensive loss and composition of deferred income tax assets and liabilities included in the consolidated statement of financial position at December 31, 2011;
- the inputs used in determining the net present value of the liability for asset retirement obligation included in the consolidated statement of financial position;
- 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 mineral property and related determination of the net realizable value and write-down of those properties 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 9(a); and
- 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 9(d).

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
Ixtaca Precious Metals Inc.	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

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

(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*

Financial assets

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

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, rebat es 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 receiptsthrough the expected life of the financial instrument to the net carrying amount of the financial asset).

Other income
Revenue from other income is recognized upon completion of the services for which the measurement of the consideration can be reas onably 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 mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims to which t he 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, geophy sical 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 anyabandonment 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 mineral properties 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 capitalised 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 reco verable 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 carry ing 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 enacted or 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 carriyng 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 a mineral property interest. 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 $104,000 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 $25,764 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 mineral properties, as part of the option agreement, responsibility for any reclamation and remediation becomes the responsibility of the optionee.

(m) *Income (loss) per share*

The Company presents the basic and diluted income (loss) 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 income (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

3. Significant accounting policies *(Continued)*

(n) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

(o) Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2012. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods. At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods:

(i) In December 2010, the IASB issued an amendment to IAS 12 – Income taxes that provide a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July, 1 2011, with earlier adoption permitted. In addition, amendments to IFRS 7 Financial Instruments: Disclosures are effective for annual periods beginning on or after July 1, 2011 and introduce enhanced disclosure around transfers of financial assets and associated risks. The Company does not anticipate that these amendments will have a significant impact on its condensed consolidated financial statements.

(ii) The following Standards are effective for annual periods beginning on or after January 1, 2013. The Company is assessing the impact of these standards.

IFRS 10 Consolidated Financial Statements will replace existing guidance on consolidation in IAS 27 Consolidated and Separate Financial Statements, and SIC 12 Consolidation – Special Purpose Entities.

IFRS 11 Joint Arrangements will replace IAS 31 Interests in Joint Ventures, and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers.

IFRS 12 Disclosure of Interests in Other Entities is the new Standard for disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IFRS 13 Fair Value Measurement was issued to remedy the inconsistencies in the requirements for measuring fair value and for disclosing information about fair value measurement in various current IFRSs.

Presented in Canadian dollars

3. Significant accounting policies *(Continued)*

(o) Adoption of new and revised standards and interpretations (continued)

IAS 27 Separate Financial Statements has been updat ed to require an entity presenting separate financial statements to account for those investments at cost or in accordance with IFRS 9 Financial Instruments.

IAS 28 Investments in Associates and Joint Ventures has been revised and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee.

(iii) The following Standard is effective for annual periods beginning on or after January1, 2015. The Company is assessing the impact of this standard.

IFRS 9 Financial Instruments (''IFRS 9'') was issued to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses the classification and measurement of financial assets. IFRS 9 was subsequently reissued in October 2010, incorporating new requirements on accounting for financial liabilities.

4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consist of the following:

	December 31, 2011	December 31, 2010
Accounts receivable	**$ 616,774**	$ 327,321
HST receivable	**69,424**	187,300
Allowance for doubtful accounts	**(75,030)**	(75,030)
Prepaid expenses	**537,238**	98,809
	$ 1,148,406	$ 538,400

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, 2011, the Company determined that $987,600 (2010 - $Nil; 2009 - $80,600) of unrealized loss recorded in available-for-sale financial assets was a result of significant or prolonged losses and as a result recognized an impairment of marketable securities of a corresponding amount in net income for the year.

Presented in Canadian dollars

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, 2011 is $2,547,173 (2010 - $2,268,986).

7. Investments in associates

The investment in associates is comprised of the following:

	December 31 2011	December 31, 2010
Investment in Tarsis Resources Ltd. *(i)*	**$ -**	$ 941,276
Investment in Gold Mountain Mining Corporation *(ii)*	**10,179,423**	-
	$ 10,179,423	$ 941,276

(i) Tarsis Resources Ltd.

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

In May 2008, the Company sold its interest in the Prospector Mountain property located in the Yukon Territory for 100,000 common shares of Tarsis and a cash payment of $30,000. Almaden retained a 2% net smelter royalty ("NSR") over any minerals produced from the property, however, half of the net smelter royalty may be purchased at any time after production commences for fair value as determined by an independent valuator. Tarsis also agreed to issue 500,000 common shares of Tarsis upon receipt of a bankable feasibility study for the property.

In the year ended December 31, 2010, Almaden's interest in Tarsis decreased from 27.6% to 16.6% resulting in the recognition of a loss on dilution of $168,449.

During the year ended December 31, 2011, the Company determined it no longer had significant influence over Tarsis as a result of changes in common management between Tarsis and the Company. The Company therefore reclassified its interest in Tarsis to marketable securities from investment in associate and recognized a gain on reclassification in the amount of $1,077,223 which is included in gain (loss) on investment in associate. Prior to this determination and reclassification the Company recognized a loss on dilution of $122,843 as a result of a private placement in Tarsis.

Presented in Canadian dollars

7. Investments in associates *(Continued)*

(i) Tarsis Resources Ltd. (continued)

Prior to the reclassification to marketable securities, Almaden had recorded its equity share of Tarsis' loss during the year ended December 31, 2011 in the amount of a loss $25,193 (2010 – loss of $151,926; 2009 - $90,908) which is also included in gain (loss) on investment in associate.

During the year ended December 31, 2011, the Company charged Tarsis $97,055 (2010- $54,515) for office rent and various expenses and surveys undertaken on behalf of Tarsis. These amounts were valued at the exchange amount agreed to by the parties.

(ii) 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 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 as described in Note 9(a). 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 accounting method as the Company has determined that significant influence exists. Almaden has recorded its equity share of Gold Mountain's loss during the year ended December 31, 2011 in the amount of $26,827 (2010 - $Nil; 2009 - $Nil). The fair value of the investment at December 31, 2011 is $14,177,500 (December 31, 2010 - $Nil).

During the year ended December 31, 2011, the Company charged Gold Mountain $271,602 (2010 - Nil) 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, 2011:

	December 31, 2011
Total assets	**$31,262,296**
Total liabilities	**140,914**
Revenue	**400**
Loss	**166,305**

Presented in Canadian dollars

8. Property, plant and equipment

	Auto equip.	Furniture & fixtures	Computer hardware	Computer software	Geological library	Field equip.	Leasehold	Drill equip.	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

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

	Auto. equip.	Furniture & fixtures	Computer hardware	Computer software	Geological library	Field equip	Mill equip.	Leasehold	Drill equip.	Total
	$	$	$	$	$	$	$	$	$	$
Cost										
December 31, 2009	**371,015**	**133,435**	**265,104**	**80,455**	**65,106**	**353,733**	**323,264**	**27,181**	**476,270**	**2,095,563**
Additions	98,803	5,190	5,757	53,463	-	55,710	-	-	283,910	502,833
Disposals	-	-	-	-	-	(41,703)	-	-	-	(41,703)
December 31, 2010	**469,818**	**138,625**	**270,861**	**133,918**	**65,106**	**367,740**	**323,264**	**27,181**	**760,180**	**2,556,693**
Accumulated depreciation										
December 31, 2009	**261,261**	**112,294**	**212,938**	**54,422**	**50,143**	**230,288**	**-**	**22,395**	**276,721**	**1,220,462**
Disposals	-	-	-	-	-	(39,338)	-	-	-	(39,338)
Depreciation	47,747	4,747	16,513	15,829	2,992	29,787	-	3,664	68,301	189,580
December 31, 2010	**309,008**	**117,041**	**229,451**	**70,251**	**53,135**	**220,737**	**-**	**26,059**	**345,022**	**1,370,704**
Carrying amounts										
December 31, 2009	109,754	21,141	52,166	26,033	14,963	123,445	323,264	4,786	199,549	**875,101**
	160,810	**21,584**	**41,410**	**63,667**	**11,971**	**147,003**	323,264	**1,122**	**415,158**	**1,185,989**
Reclassified to Asset Held for Sale (Note 20)	-	-	-	-	-	-	(323,264)	-	-	(323,264)
December 31, 2010	**160,810**	**21,584**	**41,410**	**63,667**	**11,971**	**147,003**	**-**	**1,122**	**415,158**	**862,725**

Presented in Canadian dollars

9. Exploration and evaluation assets

Mineral properties	ATW $	Willow $	Caballo Blanco $	El Cobre $	Tuligtic $	San Carlos $	Caldera $	Other Properties $	Total $
Acquisition costs									
Opening balance (December 31, 2010)	46,451	148,254	4,321	41,988	231,059	1	50,205	401,092	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)	46,451	148,254	-	45,599	231,059	1	50,205	495,156	1,016,725
Deferred exploration costs									
Opening balance (December 31, 2010)	1,063,665	369,339	72,840	136,844	1,382,454	-	443,237	47,395	3,515,774
Costs incurred during the period									
Drilling and related costs	208,945	-	-	-	1,732,164	-	-	-	1,941,109
Professional/technical fees	25,571	23,777	40,499	18,340	566,859	331	2,449	90,183	768,009
Claim maintenance/lease cost	15,580	18,246	1,216	24,020	117,955	52,616	13,453	229,974	473,060
Geochemical	-	-	-	-	924,242	-	-	41,194	965,436
Travel and accommodation	-	-	12,177	25,741	321,981	-	3,964	34,323	398,186
Geology, engineering	76,315	-	-	179,266	382,971	-	-	16,650	655,202
Salaries and wages	-	-	-	3,643	180,881	3,248	135	5,953	193,860
Supplies and misc.	35	552	2,823	14,894	186,127	-	880	11,837	217,148
Geophysical, geosciences	-	218,000	-	489,500	203,143	-	-	16,273	926,916
Reclamation, environmental	-	-	-	7,000	14,018	-	-	-	21,018
Recoveries	-	-	(129,555)	(156,956)	-	-	(20,023)	-	(306,534)
Impairment of deferred exploration costs	-	-	-	-	-	(56,195)	-	(242,804)	(298,999)
Proceeds from options	-	-	-	-	-	-	(11,500)	-	(11,500)
Income from mineral property Options	-	-	-	-	-	-	-	(5,000)	(5,000)
	326,446	260,575	(72,840)	605,448	4,630,341	-	(10,642)	198,583	5,937,911
Closing balance (December 31, 2011)	1,390,111	629,914	-	742,292	6,012,795	-	432,595	245,978	9,453,685
Total exploration and evaluation assets	1,436,562	778,168	-	787,891	6,243,854	1	482,800	741,134	10,470,410

Presented in Canadian dollars

9. Exploration and evaluation assets *(Continued)*

Mineral properties	Elk $	ATW $	Willow $	Caballo Blanco $	El Cobre $	Tuligtic $	San Carlos $	Caldera $	Other Properties $	Total $
Acquisition costs										
Opening balance (December 31, 2009)	1,075,694	46,451	148,254	4,321	-	11,070	1	50,205	267,555	1,603,551
Additions	-	-	-	-	41,988	219,989	-	-	138,944	400,921
Proceeds from options	-	-	-	-	-	-	-	-	(168,600)	(168,600)
Recoveries	-	-	-	-	-	-	-	-	-	-
Impairment of deferred acquisition costs	-	-	-	-	-	-	-	-	(5,289)	(5,289)
Proceeds received from options on mineral properties in excess of cost - reclassified to income	-	-	-	-	-	-	-	-	168,482	168,482
Closing balance (December 31, 2010)	1,075,694	46,451	148,254	4,321	41,988	231,059	1	50,205	401,092	1,999,065
Deferred exploration costs										
Opening balance (December 31, 2009)	5,170,058	847,863	332,610	66,694	-	23,360	-	372,461	-	6,813,046
Costs incurred during the period										
Drilling and related costs	1,182,922	202,601	7,406	-	9,582	703,535	139,450	-	158,482	2,403,978
Professional/technical fees	425,444	9,079	5,815	4,276	61,418	93,581	10,963	9,402	58,155	678,133
Claim maintenance/lease cost	1,500	6,885	23,077	748	6,365	61,664	51,942	29,920	139,159	321,260
Geochemical	174,893	-	-	-	30,449	182,933	17,642	-	49,623	455,540
Travel and accommodation	54,979	-	314	4,649	23,189	93,132	10,902	1,275	35,200	223,640
Camp costs	188,810	-	-	-	-	-	-	-	-	188,810
Truck rental and fuel	64,407	-	-	-	-	-	-	-	-	64,407
Geology, engineering	255,715	403	-	900	-	18,625	-	-	-	275,643
Salaries and wages	-	-	-	-	16,858	98,318	21,323	2,083	49,426	188,008
Supplies and misc.	38,169	34	117	-	19,921	29,491	1,959	1,426	27,101	118,218
Geophysical, geosciences	54,310	-	-	-	7,412	41,523	-	-	11,908	115,153
Reclamation, environmental	73,468	-	-	-	10,694	3,236	-	3,720	1,800	92,918
Proceeds from options	-	-	-	-	-	-	-	(23,000)	(1,770,000)	(1,793,000)
Recoveries	-	(3,200)	-	(4,427)	(49,044)	-	-	-	(7,243)	(63,914)
Impairment of deferred exploration costs	-	-	-	-	-	-	(254,181)	-	(466,481)	(720,662)
Proceeds received from options on mineral properties in excess of cost - reclassified to income	-	-	-	-	-	-	-	-	1,754,948	1,754,948
Recovery in value of mineral interests	-		-	-	-	33,056	-	45,950	5,317	84,323
	2,514,617	215,802	36,729	6,146	136,844	1,359,094	-	70,776	47,395	4,387,403
Closing balance (December 31, 2010)	7,684,675	1,063,665	369,339	72,840	136,844	1,382,454	-	443,237	47,395	11,200,449
	8,760,369	1,110,116	517,593	77,161	178,832	1,613,513	1	493,442	448,487	13,199,514
Reclassified to asset held for sale (Note 20)	(8,760,369)	-	-	-	-	-	-	-	-	(8,760,369)
Total exploration and evaluation assets	-	1,110,116	517,593	77,161	178,832	1,613,513	1	493,442	448,487	4,439,145

9. Exploration and evaluation assets *(Continued)*

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

(a) Elk

On February 15, 2011, the Company entered into an Asset Sale Agreement under which Gold Mountain would acquire 100% of the Elk gold depos it and Almaden would retain a 2% NSR in the project. Under the terms of the Agreement, Almaden received 35 million common shares of Gold Mountain resulting in a gain on sale of $4,122,166. An additional 2,000,000 common shares will be held in escrow subject to the following conditions: 1,000,000 common shares upon the establishment of 1,000,000 ounces of measured or indicated reserves of gold on the property; and 1,000,000 common shares upon the establishment of an additional 1,000,000 ounces of measured or indicated reserves of gold on the property. Any bonus shares not released from escrow within five years will be cancelled. The aforementioned Goldgroup shares are subject to certain statutory holding periods. Closing of the transaction was completed on July 26, 2011 as described in Note 7(ii). The Company has included in proceeds of disposition management's best estimate of the fair value of the contingently issuable shares described above in the amount of $144,000.

(b) 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.

(c) Willow

The Company acquired a 100% interest in the Willow property in Nevada by staking in 2007.

(d) Caballo Blanco / El Cobre

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 consi deration for Almaden's 30% interest in Caballo Blanco, Goldgroup paid to Almaden cash consideration of US$2,500,000 and issued to Almaden 7,000,000 of its common shares at a fair value of $7,727,300, representing a 5.4% interest in Goldgroup. An additional 7,000,000 of its common shares will be issued to Almaden under the following conditions: 1,000,000 common shares upon commencement of commercial production on the Caballo Blanco project, 2,000,000 common s hares upon measured and indicated resources including cumulative production reaching 2,000,000 ounces of gold, 2,000,000 common shares upon measured, indicated and inferred resources in cluding cumulative production reaching 5,000,000 ounces of gold and 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 the contingent share receivable at its estimat ed fair value of $518,700 as a component of the proceeds and recognized a gain of $10,282,620 on the sale. The aforementioned Goldgroup shares are subject to certain statutory holding periods.

Goldgroup also transferred to Almaden its 40% interest in the El Cobre property. The Company owns 100% interest in the El Cobre property subj ect to a sliding scale royalty payable to a third party..

9. Exploration and evaluation assets *(Continued)*

(e) Tuligtic

The Company acquired a 100% interest in the Tuligtic property. During 2009, the Company entered into an agreement with Antofagasta Minerals S.A. ("Antofagasta") for Antofagasta to earn a 60% interest in the property. Antofagasta would have to incur exploration expenditures of US$7,000,000 and make payments to Almaden of US$1,000,000 over five years. In February 2010, Antofagasta terminated its option on the property. The Company has incurred significant exploration expenditures on this property in 2010 and 2011.

(f) 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 subject to a 2% NSR. During 2007, the Company purchased the NSR for US$20,000 and issued 25,000 share purchase warrants for a term of three years exercisable at a price of $3.00 per share. During the year ended December 31, 2010 these warrants expired unexercised. The impairment recognized in 2011 is $56,195 (2010 - $254,181; 2009 - $329,747).

(g) Caldera

The Company acquired a 100% interest in the Caldera property by staking. During the year ended December 31, 2010, the Company entered into an agreement with Windstorm Resources Inc. ("Windstorm") to earn a 60% interest in the property. Windstorm would have to incur exploration expenditures of US$5,000,000 and issue 1,000,000 shares to the Company within six years.

(h) 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. Fairmont has to incur exploration expenditures of $2,000,000, pay Almaden $25,000 and issue 300,000 shares to the Company within five years from the listing of the stock on the TSX Venture or other Canadian Stock Exchange. In June 2011, Fairmont terminated its option on the property.

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

(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.

9. Exploration and evaluation assets *(Continued)*

(h) ***Other*** *(Continued)*

(iv) 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. During the year ended December 31, 2011, the Company entered into an agreement with G4G Resources Ltd.("G4G") to earn a 60% interest in the property. G4G would have to pay the Company $50,000, incur exploration expenditures of US$6,000,000 and issue 3,000,000 shares to the Company within five years. This transaction was not completed. The impairment recognized in 2011 is $77,479 (2010 - $58,327; 2009 - $61,409).

(v) Bufa
The Company staked and acquired a 100% interest in the Guadalupe claim. During 2005, the Company entered into an agreement with Lincoln Gold Corp. (“Lincoln”) to earn a 60%interest. Lincoln has to incur exploration expenditures of US$3,500,000 and issue 1,550,000 shares to the Company over five years. In February 2010, theCompany sold its 100% interest in the property to Lincoln for 6,000,000 common shares of Lincoln to the Company (fair market value on receipt – $1,770,000) resulting in a gain on disposal of $1,754,948. The Company retains a 2% NSR.

(vi) 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 andone in the amount of $138,929 to pay for the purchase of an NSR royalty. During 2008, theCompany paid the remainder of the purchase price outright. The bond in the amount of $446,964was returned to the Companyand the bond for the purchase of the NSR royalty will remain in place until the NSR ispurchased. 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).

(vii) Tropico
During 2008, the Company and its 60% joint venture partner Santoy Resources Ltd. entered into an agreement with Skeena Resources Ltd. (“Skeena”) to earn a 60% interest. Skeena must incur expenditures totalling US$3,000,000 and issue a total of 1,250,000 shares to the joint venture over 5 years. During the year ended December 31, 2010, the joint venture sold its 100% interest in the property to Skeena. The Company received 2,560,000 common shares of Skeena (fair market value on receipt - $153,600). The joint venture retains a 2% NSR interest in the property.

(viii) Other impairments of interest in mineral properties
The Company recorded impairments in its interest in other mineral properties in aggregate of $185,175 during the year ended December 31, 2011 (2010 - $408,200; 2009 - $377,726).

10. Share capital and reserves

(a) Authorized share capital

At December 31, 2011, 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, 2010 and 2009 are as follows:

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.

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 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

10. Share capital and reserves *(Continued)*

(b) Details of private placement and other issues of common shares in 2011, 2010 and 2009 are as follows: (continued)

The Company issued 3,060,000 units on December 17,2009 on a private placement basis at a price of $0.85 per unit, after incurring issue costs of $169,637. Each unit consists of one common share and one-half of a warrant with each whole warrant entitling the holder to purchase one additional common share at a price of $1.40 per share until December 17, 2011. The fair value of the warrants issued as part of the private placement of $774,560 was allocated to share capital and reserves for warrants. 236,000 finders warrant entitling the finder to purchase 236,000 units at $0.85 per unit until December 17, 2011 were issued to finder in respect of this placement. The fair value of the finder's warrant of $146,320 was allocated to share capital and reserves for warrants.

The Company issued 226,316 units on March 31, 2009 on a private placement basis at a price of $0.95 per unit, after incurring issue costs of $12,563. Each unit consists of one common flow-through share and one-half of a non-flow-through warrant wit h each whole warrant entitling the holder to purchase one additional common share at a price of $1.15 per share until March 31, 2010. The fair value of the warrants issued as part of the private placement of $61,105 was allocated to share capital and reserves for warrants. 7,000 non-flow-through common shares were issued to a finder in respect of this placement.

(c) Warrants

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

Presented in Canadian dollars

10. Share capital and reserves *(Continued)*

(c) ***Warrants*** *(continued)*

Expiry date	Exercise Price	December 31, 2008	Granted	Exercised	Expired	December 31, 2009
November 14, 2009	$ 1.00	86,000	-	-	(86,000)	-
March 20, 2010	$ 3.00	25,000	-	-	-	25,000
March 31, 2010	$ 1.15	-	113,158	-	-	113,158
December 17, 2011	$ 0.85	-	236,000	-	-	236,000
December 17, 2011	$ 1.40	-	1,648,000	-	-	1,648,000
		111,000	**1,997,158**	-	**(86,000)**	**2,022,158**
Weighted average exercise price		$ 1.45	$ 1.32	-	$ 1.00	$ 1.34

On March 31, 2010, the Company extended the expiry date of113,158 warrants for six months. The fair value for the modification of these warrants was recalculated on the extension date and an adjustment of $Nil was recorded.

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 followingweighted 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 thefollowing weighted average assumptions: risk free interest rate of 1.63%; expected life of 1 year; dividend rate of 0%; and volatility of 67.14%.

The fair value of the 1,884,000warrants issued December 17, 2009was estimated at $920,880 using the Black-Scholes option pricing model based on the following weighted average assumptions: risk free interest rate of 1.36%; expected life of 2 years; dividend rate of 0%; and volatility of 90.75%.

The fair value of the 113,158 warrants issued March 31, 2009 was estimated at $61,105 using the Black-Scholes option pricing model based on thefollowing weighted average assumptions: risk free interest rate of 0.96%; expected life of 1 year; dividend rate of 0%; and volatility of 109.37%.

Presented in Canadian dollars

10. 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, 2011, the Company had reserved 437,232 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, 2011 vested on the date granted. The continuity of stock options for the years ended December 31, 2011, 2010 and 2009 are as follows:

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

10. 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

10. Share capital and reserves *(Continued)*

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

Expiry date	Exercise Price	December 31 2008	Granted	Exercised	Expired/ cancelled	December 31 2009
December 1, 2009	$ 0.39	154,000	-	(154,000)	-	-
December 14, 2009	$ 1.67	806,000	-	-	(806,000)	-
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	-	-	-	1,795,000
September 7, 2009	$ 2.23	25,000	-	-	(25,000)	-
September 10, 2012	$ 2.32	500,000	-	-	-	500,000
November 15, 2012	$ 2.68	100,000	-	-	-	100,000
December 14, 2012	$ 2.52	50,000	-	-	-	50,000
March 17, 2013	$ 2.35	40,000	-	-	-	40,000
December 29, 2013	$ 0.68	655,000	-	-	-	655,000
November 25, 2014	$ 0.81	-	150,000	-	-	150,000
Options outstanding and exercisable		**4,505,000**	**150,000**	**(154,000)**	**(831,000)**	**3,670,000**
Weighted average exercise price		$ 1.93	$ 0.81	$ 0.39	$ 1.70	$ 1.98

The weighted average fair value of options granted during the years ended December 31, 2011, 2010 and 2009, 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
200,000	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
150,000	November 25, 2009	$0.45	2.12%	5	63.74%	$Nil

Presented in Canadian dollars

11. Reclamation and closure cost obligations

The Company's reclamation and closure cost obligat ions consist of reclamation costs for the Elk property in British Columbia. See also Note 20 Assets Classified as Held for Sale.

	December 31, 2011	December 31, 2010
Opening balance	**-**	135,016
- Accretion during the period	**-**	8,108
- Adjustment to estimate	**-**	(23,488)
- Transferred to liabilities held for sale	**-**	(119,636)
	-	-

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, 2011	December 31, 2010	December 31, 2009
Salaries and short-term employee benefits	**$ 722,157[(i)]**	$ 470,875[(iii)]	$ 450,875[(v)]
Share based compensation	**3,883,250[(ii)]**	1,862,500[(iv)]	67,500[(vi)]
Directors' fees	**33,000**	33,000	33,000
	$ 4,638,407	$ 2,366,375	$ 2,366,375

(i) Hawk Mountain Resources Ltd. ("Hawk Mountain"), a private company controlled by the Chairman of the Company was paid $268,050 for geological services provided to the Company. An additional $30,475 was paid to Hawk Mountain for marketing and administrative services including website management and updates, mark et materials coordination, and general administration.

(ii) Comprised of options granted pursuant to t he Company's stock option plan. The value of 1,825,000 option-based awards is basedon 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. All options vested upon grant.

(iii) Hawk Mountain was paid $148,750 for geological services and an additional $59,350 for marketing and administrative services. The spouse and daughter of the Chairman were also directly paid $10,000 each for marketing and administrative services.

12. Related party transactions and balances

(a) Compensation of key management personnel (continued)

(iv) Comprised of options granted pursuant to the Company's stock option plan. 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. All options vested upon grant.

(v) Hawk Mountain was paid $165,000 for geological services and an additional $16,200 for marketing and administrative services. The spouse and daughter of the Chairman were also directly paid $4,000 each for marketing and administrative services.

(vi) Comprised of options granted pursuant to the Company's stock option plan. The value of 150,000 option-based awards is based on the fair value of the awards ($0.45) calculated using the Black-Scholes model at the November 25, 2009 grant date. All options vested upon grant.

(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, 2011, the Company charged Gold Mountain $271,602 (2010 - $Nil; 2009 - $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, 2011, Gold Mountain owed the Company $271,602 (2010 - $Nil; 2009 - $Nil).

ii) Windstorm Resources Ltd. ("Windstorm")

Windstorm's President and Director, Gerald Carlson, is also a Director of Almaden. Almaden also owns common shares in Windstorm.

In September 2010, the Company optioned the Caldera property to Windstorm such that Windstorm may earn a 60% interest in the property by issuing one million common shares to Almaden and completing $5 million in exploration work, both over a six year period, with $150,000 to be spent during the first year of the agreement.

Presented in Canadian dollars

12. Related party transactions and balances

(b) Other related party transactions (continued)

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.

iv) Other

(a) During the year ended December 31, 2011, the Company paid a company controlled by a Director of the Company $5,000 (2010 - $Nil; 2009 - $3,780) for consulting services provided to the Company.

(b) During the year ended December 31, 2011, the Company paid a company controlled by the former CFO and current Director of the Company , $1,325 (2010 - $Nil; 2009 - $Nil) for accounting services provided to the Company.

13. Income on mineral property options

Income on mineral property options is comprised of the following:

	December 31, 2011	December 31, 2010	December 31, 2009
Sale of Elk (Note 9(a))	**$ 4,266,166**	$ -	$ -
Sale of Caballo Blanco (Note 9(d))	**10,801,320**	-	-
Sale of Bufa (Note 9(h)(v))	**-**	1,754,948	-
Sale of Tropico (Note 9(h)(vii))	**-**	153,482	-
Other	**4,999**	15,000	77,360
	$ 15,072,485	$ 1,923,430	$ 77,360

14. Net income (loss) per share

Basic and diluted net income (loss) per share

The calculation of basic net income (loss) per share for the year ended December 31, 2011 was based on the income attributable to common shareholders of $7,294,858 (2010 – ($3,464,652; 2009 - $2,285,959) and a weighted average number of common shares outstanding of 57,268,649 (2010 – 51,187,561; 2009 – 45,846,627).

The calculation of diluted net income (loss) 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 warrantsFor the years-ended December 31, 2010 and 2009, diluted net loss per share did not include the effect of stock options and warrant 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, 2011	December 31, 2010	December 31, 2009
Investing activities			
Reversal of equity settled employee benefits reserve on exercise of options	**$ 2,546,300**	$ 533,250	$ -
Reversal of warrants reserve on exercise of warrants	**711,305**	306,180	-
Fair value of warrants upon completion of private placement	**-**	35,550	981,985
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	-

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

	December 31, 2011	December 31, 2010
Cash	**$ 7,390,793**	$ 3,596,119
Government of Canada (T-Bills)	**9,998,700**	4,997,500
Bankers Acceptance	**3,794,666**	7,494,213
	$ 21,184,159	$ 16,087,832

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 income (loss) before income taxes due to the following:

	December 31, 2011	December 31, 2010	December 31, 2009
Income (loss) before income taxes	**$ 7,274,858**	$ (3,770,418)	$ (2,425,687)
Statutory rate	**26.5%**	28.5%	30.0%
Expected income tax	**1,927,837**	(1,074,569)	(727,706)
Effect of different tax rates in foreign jurisdictions	**(27,226)**	1,000	(14,317)
Non-deductible stock based compensation	**1,306,636**	601,008	20,250
Other permanent items	**311,122**	141,273	47,662
Change in expected reversal rate on temporary difference	**(916,280)**	-	-
Impact of future tax rates applied vs. current statutory rates	**(206,996)**	6,672	145,757
Change in deferred tax assets not recognized	**(111,343)**	324,616	528,354
Impact of capital gains rate on tax deferred sale of mineral property in exchange for shares (i)	**(1,141,875)**	-	-
Unrecognized deferred tax liability on acquisition of investment in associate (i)	**(1,141,875)**	-	-
Tax recovery on flow-through shares	**(20,000)**	(305,766)	-
Mineral tax recovery	**-**	-	(185,690)
Mexican flat tax	**-**	-	45,962
	$ (20,000)	$ (305,766)	$ (139,728)

(i) During the year the Company sold its El k mineral property, on a tax deferred basis, in exchange for shares of Gold Mountain. The deferral of the gain causes the carrying value of the shares received on the sale to exceed the tax value by the amount of the deferred gain. The shares of Gold Mountain will be taxable at the capital gains rate (50% of general rates) when sold in the future and the transaction therefore gives rise to an immediate tax benefit of half of the deferred gain. The amount of the carrying value of the Gold Mountain shares in excess of the tax value results in a deferred tax liability that would be taxable at the capital gains rate on the sale of the shares. The Company is not recognizing this deferred tax liability as the Company can control the timing of the recognition of the tax liability and does not intend to cause the recognition of the liability in the foreseeable future.

Effective January 1, 2011 the Canadian Federal corporate tax rate decreased from 18% to 16.5% and the British Columbia provincial tax rate decreased from 10.5% to 10%. The reduction in tax rates resulted in an overall decrease in the Company's statutory tax rate from 28.5% to 26.5%.

Presented in Canadian dollars

16. Income taxes *(Continued)*

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

	December 31, 2011	December 31, 2010
Exploration and evaluation assets	**$ 129,675**	-
Contingent shares receivable	**(129,675)**	-
	$ -	$ -

(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, 2011	December 31, 2010
Non-capital loss carryforwards	**$ 4,142,123**	$ 5,374,000
Capital loss carryforwards	**1,729,781**	1,868,135
Exploration and evaluation assets	**3,673,272**	4,993,350
Share issue costs	**630,475**	835,490
Property, plant and equipment	**2,234,113**	1,317,371
Cumulative eligible capital deduction	**65,408**	70,331
Marketable securities	**2,277,917**	245,751
Asset retirement obligations	**-**	119,626
	$ 14,753,089	$ 14,824,054

At December 31, 2011, the Company had operating loss carry forwards available for tax purposes in Canada of $16,300 (2010 - $3,437,000) which expire between 2028 and 2031 and in Mexico of $4,125,823 (2010 - $1,937,000) which expire between 2012 and 2021.

Taxable temporary differences in relation to investments in associates for which a deferred tax liability has not been recognized is $7.1 million (2010 - nil).

Presented in Canadian dollars

17. Commitments

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

2012	$ 67,000
2013	67,000
2014	75,000
2015	81,000
2016	6,700
Thereafter	-
	$296,700

(b) The Company entered into a contract with its Chairman for remuneration of 225,000 annually (amended), for two years, renewable for two additional successive terms of 24 months.

(c) The Company entered into a contract with its President for remuneration of $225,000 annually (amended), for two years, renewable for two additional successive terms of 24 months.

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, 2011, 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:

18. Financial instruments *(Continued)*

(a) Currency risk *(Continued)*

All amounts in Canadian dollars		**US dollar**		**Mexican peso**
Cash and cash equivalents	$	2,221,085	$	7,904
Accounts receivable and prepaid expenses		-		89,649
Total assets	$	2,221,085	$	97,553
Trade and other payables	$	66,248	$	99,208
Total liabilities	$	66,248	$	99,208
Net assets (liabilities)	$	2,154,837	$	(1,655)

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net income by $220,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's net income by $1,000.

(b) Credit risk

The Company's cash and cash equivalents are held in large Canadian financial institutions. These investments mature at various dates over 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, 2011, 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 $140,000.

18. Financial instruments (*Continued)*

(e) Commodity price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company has not hedged any of its potential future gold sales. The Company 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 $25,000.

(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:				
Cash and cash equivalents	$ 21,184,159	$ -	$ -	$ 21,184,159
Marketable securities	8,471,167	-	-	8,471,167
	$ 29,655,326	$ -	$ -	$ 29,655,326

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 mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares 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. Assets classified as held for sale

In December, 2010, the Board of Directors determined that the Elk Property in British Columbia would be offered for sale. The Company completed a Preliminary Economic Assessment on the project outlining the project's economic parameters and with recent record gold prices, it was determined that this project should be sold to a group that would likely put the mine into production. Closing of the transaction was completed on July 26, 2011 as described in Note 9(a).

In September 2011, the Board of Directors determined that the Caballo Blanco Property in Mexico would be offered for sale. Closing of the transaction was completed on October 14, 2011 as described in Note 9(d).

Details of assets and liabilities held for sale at December 2011 and 2010 are as follows:

	2011	2010
Exploration and evaluation assets held for sale	**-**	$8,760,369
Property, plant and equipment held for sale	**-**	323,264
Assets classified as held for sale	**-**	9,083,633
Liabilities directly associated with assets classified as held for sale	**-**	($ 119,636)

21. 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, 2011	December 31, 2010	December 31, 2009
Canada	**$ 6,135,926**	$ 2,636,633	$ 7,934,990
United States	**1,072,760**	-	-
Mexico	**4,507,267**	2,665,237	1,356,708
	$ 11,715,953	$ 5,301,870	$ 9,291,698

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 schedules of general and administrative expenses

(Expressed in Canadian dollars)

	Year ended December 31,		
	2011	2010	2009
	$	$	$
Professional fees	**495,665**	349,648	312,131
Salaries and benefits	**296,544**	129,370	136,145
Travel and promotion	**289,425**	221,665	153,121
Depreciation	**271,061**	189,580	169,973
Office and license	**260,187**	146,390	121,677
Rent	**164,919**	165,126	166,426
Stock exchange fees	**131,539**	124,909	68,816
Insurance	**107,645**	110,884	110,968
Transfer agent fees	**45,617**	22,544	18,501
Directors fees	**33,495**	33,495	33,495
	2,096,097	1,493,611	1,291,253