

Condensed Consolidated Interim Financial Statements of

Almaden Minerals Ltd.

For the three and six months ended June 30, 2018
(Unaudited)

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

The accompanying unaudited condensed consolidated interim financial statements of Almaden Minerals Ltd (“the Company”) for the three and six months ended June 30, 2018 have been prepared by the management of the Company and approved by the Company’s Audit Committee and the Company’s Board of Directors.

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

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

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed consolidated interim financial statements by an entity’s auditor.

Almaden Minerals Ltd.

Condensed consolidated interim statements of financial position

(Unaudited - Expressed in Canadian dollars)

| | June 30, 2018 | December 31, 2017 |
|---|-------------------|----------------------|
| | \$ | \$ |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents (Note 11) | 12,275,735 | 16,334,534 |
| Accounts receivable and prepaid expenses (Note 4) (Note 9(b)) | 317,859 | 368,963 |
| | 12,593,594 | 16,703,497 |
| Non-current assets | | |
| Deposit on mill equipment (Note 5) | - | 4,923,209 |
| Property, plant and equipment (Note 6) | 12,981,114 | 372,292 |
| Exploration and evaluation assets (Note 7) | 49,778,847 | 44,804,198 |
| | 62,759,961 | 50,099,699 |
| TOTAL ASSETS | 75,353,555 | 66,803,196 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables (Note 9(b)) | 1,298,888 | 638,001 |
| Non-current liabilities | | |
| Deferred income tax liability | 1,434,882 | 1,434,882 |
| Total liabilities | 2,733,770 | 2,072,883 |
| EQUITY | | |
| Share capital (Note 8) | 126,959,394 | 118,054,463 |
| Reserves (Note 8) | 16,569,942 | 15,528,276 |
| Deficit | (70,909,551) | (68,852,426) |
| Total equity | 72,619,785 | 64,730,313 |
| TOTAL EQUITY AND LIABILITIES | 75,353,555 | 66,803,196 |
| Commitments (Note 12) | | |

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 9, 2018.

They are signed on the Company's behalf by:

/s/Duane Poliquin
Director

/s/Mark T. Brown
Director

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

Almaden Minerals Ltd.

Condensed consolidated interim statements of comprehensive loss

(Unaudited - Expressed in Canadian dollars)

| | Three months ended June 30, | | Six months ended June 30, | |
|--|-----------------------------|------------------|---------------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Expenses | \$ | \$ | \$ | \$ |
| Professional fees | 133,251 | 172,319 | 377,325 | 355,638 |
| Salaries and benefits (Note 9(a) & (b)) | 412,692 | 287,930 | 756,142 | 594,026 |
| Travel and promotion | 77,989 | 83,397 | 146,595 | 168,877 |
| Depreciation (Note 6) | 6,918 | 7,183 | 13,785 | 13,520 |
| Office and license (Note 9(b)) | 43,999 | 44,585 | 70,772 | 90,324 |
| Rent (Note 9(b)) | 50,400 | 47,841 | 91,954 | 68,756 |
| Stock exchange and transfer agent fees | 9,992 | 7,259 | 40,943 | 40,530 |
| Insurance | 15,740 | 13,658 | 29,887 | 27,085 |
| Directors' fees (Note 9(a)) | - | - | 70,000 | 70,000 |
| Share-based payments (Note 8(c)) | 693,100 | 202,500 | 1,005,100 | 1,070,370 |
| | 1,444,081 | 866,672 | 2,602,503 | 2,499,126 |
| Other income (loss) | | | | |
| Interest and other income (Note 9(b)) | 205,576 | 137,434 | 349,037 | 254,951 |
| Loss on disposal of property, plant and equipment (Note 6) | - | (1,760) | - | (1,760) |
| Foreign exchange loss | 63,800 | (89,339) | 196,341 | (74,585) |
| | 269,376 | 46,335 | 545,378 | 178,606 |
| Comprehensive loss for the period | (1,174,705) | (820,337) | (2,057,125) | (2,320,520) |
| Basic and diluted net loss per share (Note 10) | (0.01) | (0.01) | (0.02) | (0.03) |

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

Almaden Minerals Ltd.

Condensed consolidated interim statements of cash flows

(Unaudited - Expressed in Canadian dollars)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| | \$ | \$ | \$ | \$ |
| Operating activities | | | | |
| Net loss for the period | (1,174,705) | (820,337) | (2,057,125) | (2,320,520) |
| Items not affecting cash | | | | |
| Depreciation | 6,918 | 7,183 | 13,785 | 13,520 |
| Loss on disposal of property, plant and equipment | - | 1,760 | - | 1,760 |
| Share-based payments | 693,100 | 202,500 | 1,005,100 | 1,070,370 |
| Changes in non-cash working capital components | | | | |
| Accounts receivable and prepaid expenses | 150,883 | 42,029 | 51,104 | 58,085 |
| Trade and other payables | 101,775 | (45,927) | 170,472 | (166,734) |
| Net cash used in operating activities | (222,029) | (612,792) | (816,664) | (1,343,519) |
| Investing activities | | | | |
| Deposit on mill equipment | (6,143,221) | (3,116,985) | (7,694,900) | (3,116,985) |
| Property, plant and equipment – purchase | (4,498) | (68,288) | (4,498) | (90,387) |
| Exploration and evaluation assets – costs | (2,566,911) | (3,461,434) | (4,484,234) | (5,578,112) |
| Net cash used in investing activities | (8,714,630) | (6,646,707) | (12,183,632) | (8,785,484) |
| Financing activities | | | | |
| Issuance of shares, net of share issue costs | 8,941,497 | 15,928,524 | 8,941,497 | 19,124,684 |
| Options exercised | - | 143,250 | - | 927,177 |
| Warrants and finders' warrants exercised | - | 135,125 | - | 268,205 |
| Net cash from financing activities | 8,941,497 | 16,206,899 | 8,941,497 | 20,320,066 |
| Change in cash and cash equivalents | 4,838 | 8,947,400 | (4,058,799) | 10,191,063 |
| Cash and cash equivalents, beginning of period | 12,270,897 | 11,013,669 | 16,334,534 | 9,770,006 |
| Cash and cash equivalents, end of period | 12,275,735 | 19,961,069 | 12,275,735 | 19,961,069 |

Supplemental cash and cash equivalents information – Note 11

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

Almaden Minerals Ltd.

Condensed consolidated interim statements of changes in equity

(Unaudited – Expressed in Canadian dollars)

| | Share capital | | Reserves | | | Deficit | Total |
|---|--------------------|--------------------|----------------------|----------------|-------------------|---------------------|-------------------|
| | Number of shares | Amount | Share-based payments | Warrants | Total reserves | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, January 1, 2017 | 86,165,443 | 95,290,220 | 13,040,593 | 511,508 | 13,552,101 | (63,621,131) | 45,221,190 |
| Share-based payments | - | - | 1,070,370 | - | 1,070,370 | - | 1,070,370 |
| Private placements, net | 12,377,207 | 18,943,993 | - | - | - | - | 18,943,993 |
| Finders' warrants issued pursuant to private placement | - | - | - | 180,691 | 180,691 | - | 180,691 |
| Shares issued for cash on exercise of finders' warrants | 30,472 | 43,205 | - | - | - | - | 43,205 |
| Fair value of finders' warrants transferred to share capital | - | 12,797 | - | (12,797) | (12,797) | - | - |
| Shares issued for cash on exercise of warrants | 225,000 | 225,000 | - | - | - | - | 225,000 |
| Shares issued for cash on exercise of stock options | 947,000 | 986,890 | - | - | - | - | 986,890 |
| Fair value of cash stock options transferred to share capital | - | 464,859 | (464,859) | - | (464,859) | - | - |
| Shares issued on cashless exercise of stock options (Note 8(c)) | 148,631 | (59,713) | - | - | - | - | (59,713) |
| Fair value of cashless stock options transferred to share capital | - | 180,930 | (180,930) | - | (180,930) | - | - |
| Comprehensive loss for the period | - | - | - | - | - | (2,320,520) | (2,320,520) |
| Balance, June 30, 2017 | 99,893,753 | 116,088,181 | 13,465,174 | 679,402 | 14,144,576 | (65,941,651) | 64,291,106 |
| Share-based payments | - | - | 1,622,700 | - | 1,622,700 | - | 1,622,700 |
| Private placements, net | - | (9,266) | - | - | - | - | (9,266) |
| Shares issued for cash on exercise of warrants | 1,761,667 | 1,761,667 | - | - | - | - | 1,761,667 |
| Shares issued for cash on exercise of stock options | 160,000 | 118,400 | - | - | - | - | 118,400 |
| Fair value of cash stock options transferred to share capital | - | 32,000 | (32,000) | - | (32,000) | - | - |
| Shares issued on cashless exercise of stock options | 384,205 | 59,713 | - | - | - | - | 59,713 |
| Shares issuance cost on cashless exercise of stock options | - | (203,232) | - | - | - | - | (203,232) |
| Fair value of cashless stock options transferred to share capital | - | 207,000 | (207,000) | - | (207,000) | - | - |
| Comprehensive loss for the period | - | - | - | - | - | (2,910,775) | (2,910,775) |
| Balance, December 31, 2017 | 102,199,625 | 118,054,463 | 14,848,874 | 679,402 | 15,528,276 | (68,852,426) | 64,730,313 |
| Share-based payments | - | - | 1,005,100 | - | 1,005,100 | - | 1,005,100 |
| Private placements, net | 9,440,000 | 8,904,931 | - | - | - | - | 8,904,931 |
| Finders' warrants issued pursuant to private placement | - | - | - | 36,566 | 36,566 | - | 36,566 |
| Comprehensive loss for the period | - | - | - | - | - | (2,057,125) | (2,057,125) |
| Balance, June 30, 2018 | 111,639,625 | 126,959,394 | 15,853,974 | 715,968 | 16,569,942 | (70,909,551) | 72,619,785 |

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

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

1. Nature of operations

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

The Company is in the business of exploring and developing mineral projects and its principal asset is the Ixtaca precious metals project located on its Tuligtic claim in Mexico. The Company has not yet determined whether this project has economically recoverable mineral reserves. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain the necessary financing or participation of joint venture partners to complete development of the properties and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

2. Basis of presentation

(a) Statement of Compliance with International Financial Reporting Standards ("IFRS")

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company has adopted and applied IFRS 9 since January 1, 2018. Changes to significant accounting policies are described in note 3.

(b) Basis of preparation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2017. However, this interim financial report provides selected significant disclosures that are required in the annual audited consolidated financial statements under IFRS.

Except as described below, these condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2017.

The changes in accounting policies are also expected to be reflected in the Company's consolidated financial statements as at and for the year ending December 31, 2018.

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

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

2. Basis of presentation (Continued)

(b) Basis of preparation (Continued)

The following are the accounting standards issued but not yet effective.

Leases

IFRS 16 - In January 2016, the IASB issued IFRS 16 – Leases ("IFRS 16") which replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15. The Company is currently evaluating the impact the final standard is expected to have on its consolidated financial statements. The Company is currently considering the impact, if any, of the standard on its future consolidated financial statements.

3. Significant Accounting Policies

The Company has initially adopted IFRS 9, *Financial Instruments* from January 1, 2018. The effect of initially applying these standards did not have a material impact on the Company's financial statements. A number of other new standards are also effective from January 1, 2018, but they also did not have a material impact on the Company's financial statements.

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*. There was no material impact to the Company's consolidated financial statements as a result of transitioning to IFRS 9.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

(i) Classification and measurement of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets held to maturity, loans and receivables, and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

A financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets which consist primarily of cash and cash equivalents, and amounts receivable are classified at amortized cost.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

3. Significant Accounting Policies (Continued)

(ii) Impairment of financial assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets measured at amortized cost and subject to the ECL model include cash and cash equivalents, and amounts receivable.

The adoption of the ECL impairment model had no impact on the carrying amounts of the Company's financial assets on the transition date given the amounts receivable are substantially all current and there has been minimal historical customer default. Moreover, cash and cash equivalents have not been subject to historical credit risk.

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2017. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three and six month period ended June 30, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018.

4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consist of the following:

| | June 30, 2018 | December 31, 2017 |
|---------------------------------|------------------|----------------------|
| Accounts receivable (Note 9(b)) | \$160,674 | \$ 243,971 |
| Prepaid expenses | 157,185 | 124,992 |
| | <u>\$317,859</u> | <u>\$ 368,963</u> |

At June 30, 2018, the Company has recorded value added taxes of \$291,346 (December 31, 2017 - \$444,729) included in exploration and evaluation assets as the value added tax relates to certain projects and will be recovered when the assets are sold (Note 7).

5. Deposit on mill equipment

On October 19, 2015, the Company entered into a Mill Purchase Option Agreement (the "Agreement") to acquire the Rock Creek mill. Pursuant to the Agreement, Almaden has the exclusive right and option to purchase the mill for total cash payments of US\$6,500,000 completed during the period ended June 30, 2018, plus the issuance of 407,997 common shares (issued with a fair value of \$273,358), subject to adjustment in certain circumstances (the "Option").

Deposit on mill equipment consists of the following payments and share issuance:

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

5. Deposit on mill equipment (Continued)

| | USD | CAD |
|---|------------------|------------------|
| Balance, December 31, 2016 | \$ 750,000 | \$ 1,280,383 |
| Additions: purchase price deposits | 2,000,000 | 2,647,600 |
| Additions: mobilization payments | 767,500 | 995,226 |
| Balance, December 31, 2017 | 3,517,500 | 4,923,209 |
| Additions: purchase price deposits | 3,750,000 | 4,876,500 |
| Additions: mobilization payments | 2,211,300 | 2,818,400 |
| | 9,478,800 | 12,618,109 |
| Transfer to property, plant and equipment | (9,478,800) | (12,618,109) |
| Balance, June 30, 2018 | \$ - | \$ - |

Almaden has exercised the Option by making the final option payment on June 12, 2018 for \$3,750,000 USD (\$4,876,500 CAD). As such, during the period ended June 30, 2018, Almaden obtained ownership and title to the mill equipment, and transferred the balance to property, plant and equipment (Note 6).

A mobilization plan is in progress to move the Rock Creek mill from Nome, Alaska to Mexico. Mill mobilization payments of \$2,818,400 (\$2,211,300 USD) were paid during the period ended June 30, 2018, for the dismantlement of the mill.

6. Property, plant and equipment

| | Automotive equipment | Furniture and fixtures and other | Computer hardware | Computer software | Geological library | Field equipment | Mill equipment | Total |
|--|-------------------------|--|----------------------|----------------------|-----------------------|--------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | | | | |
| December 31, 2017 | 110,040 | 154,093 | 247,199 | 189,563 | 51,760 | 311,692 | 199,952 | 1,264,299 |
| Additions | - | 1,911 | 1,697 | 890 | - | - | - | 4,498 |
| Transfer from deposit on mill equipment | - | - | - | - | - | - | 12,618,109 | 12,618,109 |
| June 30, 2018 | 110,040 | 156,004 | 248,896 | 190,453 | 51,760 | 311,692 | 12,818,061 | 13,886,906 |
| Accumulated depreciation | | | | | | | | |
| December 31, 2017 | 110,040 | 134,484 | 213,702 | 164,211 | 49,366 | 220,204 | - | 892,007 |
| Depreciation | - | 2,153 | 5,024 | 3,824 | 239 | 2,545 | - | 13,785 |
| June 30, 2018 | 110,040 | 136,637 | 218,726 | 168,035 | 49,605 | 222,749 | - | 905,792 |
| Carrying amounts | | | | | | | | |
| December 31, 2017 | - | 19,609 | 33,497 | 25,352 | 2,394 | 91,488 | 199,952 | 372,292 |
| June 30, 2018 | - | 19,367 | 30,170 | 22,418 | 2,155 | 88,943 | 12,818,061 | 12,981,114 |

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

6. Property, plant and equipment (Continued)

The Company acquired the Rock Creek mill (Note 5) on June 12, 2018. As at June 30, 2018, mill equipment of \$12,818,061 is recorded in property, plant and equipment and will be depreciated when the mill equipment is in the condition and location ready for use, which will commence once the Company enters the commercial production phase.

7. Exploration and evaluation assets

| | Tuligtic | Other Property | Total |
|---|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Exploration and evaluation assets | | | |
| Acquisition costs: | | | |
| Opening balance - (December 31, 2017) | 7,537,577 | 1 | 7,537,578 |
| Additions | 284,894 | - | 284,894 |
| Closing balance - (June 30, 2018) | 7,822,471 | 1 | 7,822,472 |
| Deferred exploration costs: | | | |
| Opening balance - (December 31, 2017) | 37,266,620 | - | 37,266,620 |
| Costs incurred during the period | | | |
| Drilling and related costs | 767,034 | - | 767,034 |
| Professional/technical fees | 25,011 | - | 25,011 |
| Claim maintenance/lease costs | 69,395 | - | 69,395 |
| Geochemical, metallurgy | 454,558 | - | 454,558 |
| Technical studies | 2,357,078 | - | 2,357,078 |
| Travel and accommodation | 232,484 | - | 232,484 |
| Geology, geophysics and exploration | 358,916 | - | 358,916 |
| Supplies and misc. | 67,471 | - | 67,471 |
| Environmental | 66,462 | - | 66,462 |
| Value-added tax (Note 4) | 291,346 | - | 291,346 |
| Total deferred exploration costs during the period | 4,689,755 | - | 4,689,755 |
| Closing balance - (June 30, 2018) | 41,956,375 | - | 41,956,375 |
| Total exploration and evaluation assets | 49,778,846 | 1 | 49,778,847 |

During the year ended December 31, 2016, the Company entered into two option agreements to secure surface rights on the Tuligtic project. The Company has the option to acquire a 100% ownership of two surface rights for total cash payments of \$25,000,000 Mexico pesos (MXN) as follows:

| Dates | Payments (MXN) | CAD | Payment Status |
|-------------------|----------------|-------------|----------------|
| November 28, 2016 | \$10,000,000 | \$651,200 | Paid |
| November 28, 2018 | \$15,000,000 | \$1,000,500 | Outstanding |

Payments are not refundable upon termination of the option agreement.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

7. Exploration and evaluation assets (Continued)

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

(a) Tuligtic

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

(b) Other Property

The Company holds a 40% carried interest in the Logan property located in the Yukon Territory, Canada. The project is carried at a nominal value of \$1.

8. Share capital and reserves

(a) Authorized share capital

At June 30, 2018, 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.

On June 7, 2018, the Company closed a non-brokered private placement by the issuance of 9,440,000 units at a price of \$1.00 per unit for gross proceeds of \$9,440,000. Each unit consists of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at a price of \$1.35 per share until June 7, 2022. Share issue costs included a finder's fee of \$384,900 in cash, and finders' warrants to purchase up to 192,450 common shares at a price of \$1.35 per common share until June 7, 2020. The fair value of the finders' warrants was \$36,566 per statement of equity. In connection with the private placement, the Company also incurred \$113,603 in other cash share issue costs. These amounts were recorded as a reduction to share capital. The net proceeds of the private placement of \$8,904,931 were allocated to share capital during the period ended June 30, 2018.

(b) Warrants

The continuity of warrants for the six months ended June 30, 2018 is as follows:

| Expiry date | Exercise price | Dec 31, 2017 | Issued | Exercised | Expired | June 30, 2018 |
|--------------------------------------|----------------|------------------|------------------|-----------|---------|-------------------|
| November 25, 2018 | \$2.00 | 1,614,541 | - | - | - | 1,614,541 |
| November 25, 2018 | \$1.44 | 22,972 | - | - | - | 22,972 |
| June 1, 2019 | \$2.00 | 295,734 | - | - | - | 295,734 |
| August 7, 2019 | \$2.00 | 1,259,704 | - | - | - | 1,259,704 |
| August 7, 2019 | \$1.35 | 10,411 | - | - | - | 10,411 |
| June 1, 2020 | \$2.45 | 4,928,900 | - | - | - | 4,928,900 |
| June 7, 2020 | \$1.35 | - | 192,450 | - | - | 192,450 |
| June 7, 2022 | \$1.35 | - | 4,720,000 | - | - | 4,720,000 |
| Warrants outstanding and exercisable | | 8,132,262 | 4,912,450 | - | - | 13,044,712 |
| Weighted average exercise price | | \$ 2.27 | \$ 1.35 | - | - | \$ 1.92 |

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

8. Share capital and reserves (Continued)

(c) Share purchase option compensation plan

The Company's stock option plan permits the issuance of options up to a maximum of 10% of the Company's issued share capital. Stock options issued to any consultant or person providing investor relations services cannot exceed 2% of the issued and outstanding common shares in any twelve month period. At June 30, 2018, the Company had reserved 1,173,963 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 six months ended June 30, 2018 vested on the grant date.

The Company's stock option plan permits the option holder to exercise cashless by surrendering a portion of the underlying option shares to pay for the exercise price and the corresponding withholding taxes, if applicable.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

8. Share capital and reserves (Continued)

(c) Share purchase option compensation plan (Continued)

The continuity of stock options for the six months ended June 30, 2018 is as follows:

| Expiry date | Exercise price | Dec 31, 2017 | Granted | Exercised | Expired | June 30, 2018 |
|-------------------------------------|----------------|------------------|------------------|-----------|--------------------|------------------|
| April 4, 2018 | \$ 1.74 | 90,000 | - | - | 90,000 | - |
| May 6, 2018 | \$ 1.41 | 100,000 | - | - | 100,000 | - |
| June 8, 2018 | \$ 1.44 | 1,915,000 | - | - | 1,915,000 | - |
| June 18, 2018 | \$ 1.46 | 250,000 | - | - | 250,000 | - |
| June 29, 2018 | \$ 1.71 | 15,000 | - | - | 15,000 | - |
| August 9, 2018 | \$ 1.91 | 491,000 | - | - | - | 491,000 |
| September 15, 2018 | \$ 1.85 | 170,000 | - | - | - | 170,000 |
| December 11, 2018 | \$ 0.72 | 590,000 | - | - | - | 590,000 |
| December 11, 2018 | \$ 1.68 | 150,000 | - | - | - | 150,000 |
| December 11, 2018 | \$ 1.80 | 20,000 | - | - | - | 20,000 |
| January 2, 2019 | \$ 1.04 | 375,000 | - | - | - | 375,000 |
| March 17, 2019 | \$ 1.35 | 207,000 | - | - | - | 207,000 |
| May 4, 2019 | \$ 1.99 | 175,000 | - | - | - | 175,000 |
| May 19, 2019 | \$ 1.84 | 75,000 | - | - | - | 75,000 |
| June 12, 2019 | \$ 1.89 | 75,000 | - | - | - | 75,000 |
| July 2, 2019 | \$ 1.32 | 150,000 | - | - | - | 150,000 |
| July 2, 2019 | \$ 1.19 | 60,000 | - | - | - | 60,000 |
| July 2, 2019 | \$ 1.34 | 1,427,000 | - | - | - | 1,427,000 |
| September 19, 2019 | \$ 1.40 | 1,160,000 | - | - | - | 1,160,000 |
| April 10, 2020 | \$ 1.03 | - | 90,000 | - | - | 90,000 |
| April 30, 2020 | \$ 1.04 | - | 100,000 | - | - | 100,000 |
| April 30, 2020 | \$ 1.53 | 500,000 | - | - | - | 500,000 |
| April 30, 2020 | \$ 1.14 | 100,000 | - | - | - | 100,000 |
| June 8, 2020 | \$ 0.98 | - | 2,180,000 | - | - | 2,180,000 |
| September 30, 2020 | \$ 1.25 | 1,195,000 | - | - | - | 1,195,000 |
| February 7, 2021 | \$ 1.11 | - | 300,000 | - | - | 300,000 |
| March 29, 2021 | \$ 1.08 | - | 400,000 | - | - | 400,000 |
| Options outstanding and exercisable | | 9,290,000 | 3,070,000 | - | (2,370,000) | 9,990,000 |
| Weighted average exercise price | | \$ 1.39 | \$ 1.01 | - | \$ 1.45 | \$1.26 |

Total share-based payments as a result of options granted and vested during the period ended June 30, 2018, was \$1,005,100 (2017 - \$1,070,370).

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

8. Share capital and reserves (Continued)

(c) Share purchase option compensation plan (Continued)

The fair value of the options granted during the period ended June 30, 2018, was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

| | |
|--|------------|
| Risk-free interest rate | 1.88% |
| Expected life | 2.40 years |
| Expected volatility | 53.45% |
| Expected dividend yield | Nil |
| Weighted average fair value per option | \$0.33 |

9. 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, Vice President Operations & Projects, and the Vice President, Corporate Development. The net aggregate compensation paid or payable to key management for services after recovery from Azucar Minerals Ltd. and Almadex Minerals Ltd. (Note 9 (b)) is as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|-----------------------|-----------------------------|------------------|---------------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Salaries and benefits | \$ 233,829 | \$ 164,675 | \$410,929 | \$ 329,350 |
| Share-based payments | 551,050 | 202,500 | 863,050 | 740,970 |
| Directors' fees | - | - | 70,000 | 70,000 |
| | \$ 784,879 | \$367,175 | \$1,343,979 | \$1,140,320 |

(b) Azucar Minerals Ltd. ("Azucar" formerly Almadex Minerals Limited) and Almadex Minerals Ltd. ("Almadex" formerly 1154229 B.C. Ltd.)

Effective August 1, 2015, the Company recovers a portion of expenses from Azucar pursuant to an administrative services agreement between the Company and Azucar.

Effective May 18, 2018, the Company also recovers a portion of expenses from Almadex pursuant to the administrative service agreements between the Company and Almadex.

During the three months ended June 30, 2018, the Company received \$117,821 (June 30, 2017 - \$101,978) from Azucar for administrative services fees included in other income, and received \$36,455 from Almadex for the three months period as administrative services fees included in other income.

During the six months ended June 30, 2018, the Company received \$229,303 (June 30, 2017 - \$208,272) from Azucar for administrative services fees included in other income, and received \$36,455 from Almadex for the six months periods as administrative services fees included in other income.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

9. Related party transactions and balances (Continued)

(b) Azucar Minerals Ltd. ("Azucar" formerly Almadex Minerals Limited) and Almadex Minerals Ltd. ("Almadex" formerly 1154229 B.C. Ltd.) (Continued)

At June 30, 2018, the Company accrued \$126,753 (December 31, 2017 - \$153,038) payable to Almadex for drilling equipment rental services in Mexico.

At June 30, 2018, included in accounts receivable is \$86,906 (December 31, 2017 - \$195,551) due from Azucar, and \$41,895 due from Almadex in relation to expense recoveries.

(c) Other related party transactions

During the three and six months ended June 30, 2018, the Company employed the Chairman's daughter for a salary of \$10,325 and \$20,650 respectively (2017 - \$8,450 and \$16,900 respectively) for marketing and administrative services provided to the Company.

10. Net loss per share

Basic and diluted net loss per share

The calculation of basic net loss per share for the three months ended June 30, 2018 was based on the loss attributable to common shareholders of \$1,174,705 (2017 - \$820,337) and a weighted average number of common shares outstanding of 104,689,295 (2017 - 93,203,469).

The calculation of basic net loss per share for the six months ended June 30, 2018 was based on the loss attributable to common shareholders of \$2,057,125 (2017 - \$2,320,520) and a weighted average number of common shares outstanding of 103,451,338 (2017 - 90,931,063).

The calculation of diluted net loss per share for the three and six months periods ended June 30, 2018 and 2017 did not include the effect of stock options and warrants as they are anti-dilutive.

11. Supplemental cash flow information

Supplemental information regarding non-cash transactions is as follows:

| Investing and financing activities | Six months ended June 30, | |
|---|---------------------------|---------|
| | 2018 | 2017 |
| Fair value of finders' warrants – share issue cost | 36,566 | 180,691 |
| Fair value of finders' warrants transferred to share capital on exercise of finders' warrants | - | 12,797 |
| Fair value of cash stock options transferred to share capital on exercise of options | - | 464,859 |
| Fair value of cashless stock options transferred to share capital on exercise of options | - | 180,930 |
| Transfer from deposit on mill equipment to property, plant and equipment | 12,618,109 | - |

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

11. Supplemental cash flow information (Continued)

As at June 30, 2018, \$984,358 of exploration and evaluation asset costs are included in trade and other payables (December 31, 2017 - \$493,943).

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

| | June 30, 2018 | December 31, 2017 |
|---------------|----------------------|----------------------|
| Cash | \$ 2,775,735 | \$ 1,449,184 |
| Term Deposits | 9,500,000 | 14,885,350 |
| | <u>\$ 12,275,735</u> | <u>\$ 16,334,534</u> |

12. Commitments

The Company entered into a new operating lease for office premises effective April 1, 2017 through to March 31, 2022.

As at June 30, 2018, the remaining payments for executive contracts and the operating lease are due as follows:

| | 2018 | 2019 | 2020 | 2021 | 2022 | Total |
|---------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| Office lease | \$ 74,205 | \$ 150,884 | \$ 154,182 | \$ 155,006 | \$ 38,752 | \$ 573,029 |
| Executive contracts | 287,500 | 240,000 | 240,000 | 240,000 | - | 1,007,500 |
| | <u>\$ 361,705</u> | <u>\$ 390,884</u> | <u>\$ 394,182</u> | <u>\$ 395,006</u> | <u>\$ 38,752</u> | <u>\$ 1,580,529</u> |

13. Financial instruments

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

The Company does not carry any financial instruments at fair value.

The Company is exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and commodity and equity 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, the US dollar and Mexican peso. The Company does not invest in foreign currency contracts to mitigate the risks.

As at June 30, 2018, the Company is exposed to foreign exchange risk through the following monetary assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary:

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

13. Financial instruments (Continued)

(a) Currency risk (Continued)

| All amounts in Canadian dollars | US dollar | Mexican peso |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 467,418 | \$ 210,832 |
| Accounts receivable and prepaid expenses | - | - |
| Total assets | \$ 467,418 | \$ 210,832 |
| Trade and other payables | \$ 576,331 | \$ 440,528 |
| Total liabilities | \$ 576,331 | \$ 440,528 |
| Net assets | \$ (108,913) | \$ (229,696) |

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by \$11,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's net loss by \$23,000.

(b) Credit risk

The Company's cash and cash equivalents are held in large Canadian financial institutions, located in both Canada and Mexico. Cash equivalents mature at various dates during the twelve months following the statement of financial position date. The Company's excise tax included in accounts receivables and prepaid expenses consists primarily of sales tax due from the federal government of Canada.

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 June 30, 2018, 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.

Almaden Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and six months ended June 30, 2018

Unaudited - Expressed in Canadian dollars

13. Financial instruments (Continued)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to varying interest rates on cash and cash equivalents. The Company has no interest bearing debt.

A 1% change in the interest rate would change the Company's net loss by \$120,000.

(e) Commodity and equity price risk

The ability of the Company to explore its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company monitors gold prices to determine the appropriate course of action to be taken by the Company. Equity price risk is defined as the potential adverse impact on the Company's performance due to movements in individual equity prices or general movements in the level of the stock market.

14. Management of capital

The Company considers its capital to consist of components of equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

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

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations for the foreseeable future. There were no changes to the Company's approach to the management of capital during the period.

15. Segmented information

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

The Company's non-current assets are located in the following geographic locations:

| | June 30, 2018 | December 31, 2017 |
|---------------|----------------------|----------------------|
| Canada | \$ 157,794 | \$ 366,450 |
| United States | 12,818,061 | 4,923,209 |
| Mexico | 49,784,106 | 44,810,040 |
| | \$ 62,759,961 | \$ 50,099,699 |