

ALMADEN MINERALS LTD  
Form 20-F  
April 01, 2014

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES  
EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF  
1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

Date of event requiring this shell company report .....

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-32702

ALMADEN MINERALS LTD.  
(Exact name of Registrant as specified in its charter)

British Columbia, Canada  
(Jurisdiction of incorporation or organization)

750 West Pender Street, #1103, Vancouver, British Columbia V6C 2T8  
(Address of principal executive offices)

Korm Trieu, ktrieu@almadenminerals.com, 750 West Pender Street, #1103, Vancouver, BC V6C 2T8  
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

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Title of each class	Securities registered or to be registered pursuant to Section 12(b) of the Act. Name of each exchange on which registered
Common Stock without Par Value	NYSE MKT

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None  
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

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Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

64,578,321

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
( ) Yes (X) No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

( ) Yes (X) No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(X) Yes ( ) No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

( ) Yes ( ) No

As a foreign private issuer that prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the Registrant is required to submit to the SEC and post on its corporate website Interactive Data Files (as defined by Item 11 of Regulation S-T) pursuant to Rule 405 of Regulation S-T.

However, it is the view of the SEC's Division of Corporation Finance and Office of the Chief Accountant that the Registrant is not required to submit to the SEC and post on its corporate website Interactive Data Files until the SEC specifies on its website an IFRS taxonomy for use by foreign private issuers in preparing their Interactive Data Files.

As of the submission date of this Annual Report on Form 20-F, the SEC has not specified an IFRS taxonomy for the Registrant to use in preparing its Interactive Data Files.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ( ) Accelerated filer  
( ) Non-accelerated filer (X)

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP (  )                      International Financial Reporting Standards as  
issued    Other (  )  
by the International Accounting Standards Board (X)

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes  No

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## Glossary of Geologic and Mining Terms

**Adularia:** A colourless, moderate to low-temperature variety of orthoclase feldspar typically with a relatively high barium content. It is a prominent constituent of low sulphidation epithermal veins.

**Alkalic Intrusive:** An igneous rock emplaced below ground level in which the feldspar is dominantly sodic and or potassic.

**Alkalinity:** The chemical nature of solutions characterized by a high concentration of hydroxyl ions.

**Alteration:** Usually referring to chemical reactions in a rock mass resulting from the passage of hydrothermal fluids.

**Andesite:** A dark-coloured, fine-grained extrusive rock that, when porphyritic, contains phenocrysts composed primarily of zoned sodic plagioclase (esp. andesine) and one or more of the mafic minerals (eg. Biotite, horn-blende, pyroxene), with a ground-mass composed generally of the same minerals as the phenocrysts; the extrusive equivalent of diorite. Andesite grades into latite with increasing alkali feldspar content, and into dacite with more alkali feldspar and quartz. It was named by Buch in 1826 from the Andes Mountains, South America.

**Anomalous:** A geological feature, often subsurface, distinguished by geological, geochemical or geophysical means, which is detectably different than the general surroundings and is often of potential economic value.

**Anomaly:** Any concentration of metal noticeably above or below the average background concentration.

**Argillic:** A form of alteration characterised by the alteration of original minerals to clays.

**Arsenopyrite:** A sulphide of arsenic and iron with the chemical composition FeAsS.

**Assay:** An analysis to determine the presence, absence or quantity of one or more components.

**Axis:** An imaginary hinge line about which the fold limbs are bent. The axis of a fold can be at the top or bottom of the fold, can be tilted or horizontal.

**Batholith:** An intrusion, usually granitic, which has a large exposed surface area and no observable bottom. Usually associated with orogenic belts.

**Bathymetry survey:** A geophysical survey that uses echo sounding to determine water depth.

**Breccia:** Rock consisting of more or less angular fragments in a matrix of finer-grained material or cementing material.

**Brecciated:** Rock broken up by geological forces.

**Bulk sample:** A very large sample, the kind of sample to take from broken rock or of gravels and sands when testing placer deposits.

**Calc-silicate:** Calcium-bearing silicate minerals. These minerals are commonly formed as a result of the interaction of molten rock and its derived, hot hydrothermal fluids with very chemically reactive calcium carbonate (limestone). Calc-silicate minerals include garnet, pyroxene, amphibole and epidote. These minerals are commonly described as skarn and are genetically and spatially associated with a wide range of metals



Carbonate replacement deposit: A style of silver lead zinc mineralization in limestones.

Chert: A very fine grained siliceous rock. Many limestones contain nodules and thin lenses of chert.

Chip sample: A sample composed of discontinuous chips taken along a surface across a given line.

**Claim:** That portion of public mineral lands, which a party has staked or marked out in accordance with provincial or state mining laws, to acquire the right to explore for the minerals under the surface.

**Clastic:** Consisting of rock material that has been mechanically derived, transported, and deposited. Such material is also called detrital.

**Cleavage:** The tendency of a crystal to split, or break, along planes of structural weakness.

**Columnar Jointing:** A pattern of jointing that breaks rock into rough, six-sided columns. Such jointing is characteristic of basaltic flows and sills and is believed to result from shrinkage during cooling.

**Concordant Bodies:** Intrusive igneous bodies whose contacts are parallel to the bedding of the intruded rock.

**Conglomerate:** Rock composed of mostly rounded fragments which are of gravel size or larger in a finer grained matrix.

**Craton:** A central stable region common to nearly all continents and composed chiefly of highly metamorphosed Precambrian rocks.

**Cretaceous:** Geological time period between 136 and 64 million years ago.

**Crystalline:** Means the specimen is made up of one or more groups of crystals.

**Cut-off grade:** The minimum grade of mineralization used to establish quantitative and qualitative estimates of total mineralization.

**Dacite:** A fine grained acid volcanic rock, similar to rhyolite in which the feldspar is predominantly plagioclase.

**Degradation:** The ongoing process of erosion in a stream.

**Diabase:** Igneous hypabyssal rocks. The name is applied differently in different parts of the world leading to considerable confusion.

**Diagenesis:** The changes that occur in a sediment during and after lithification. These changes include compaction, cementation, replacement, and recrystallization.

**Diamond drill:** A type of rotary drill in which the cutting is done by abrasion using diamonds embedded in a matrix rather than by percussion. The drill cuts a core of rock which is recovered in long cylindrical sections.

**Dilution:** Results from the mixing in of unwanted gangue or waste rock with the ore during mining.

**Dip:** Geological measurement of the angle of maximum slope of planar elements in rocks. Can be applied to beddings, jointing, fault planes, etc.

**Discordant Bodies:** Intrusive igneous bodies whose contacts cut across the bedding, or other pre-existing structures, to the intruded rock.

**Disseminated deposit:** Deposit in which the mineralization is scattered through a large volume of host rock, sometimes as separate mineral grains, or sometimes along joint or fault surfaces.

Dolomite: A magnesium bearing limestone usually containing at least 15% magnesium carbonate.

Dunite: An intrusive, monomineralic, ultramafic rock composed almost completely of magnesian olivine.

Dyke: A tabular, discordant, intrusive igneous body.

**Earn in:** The right to acquire an interest in a property pursuant to an Option Agreement.

**Ejecta:** Pyroclastic material thrown out or ejected by a volcano. It includes ash, volcanic bombs, and lapilli.

**Epithermal:** Epithermal deposits are a class of ore deposits that form generally less than 1 km from surface. These deposits, which can host economic quantities of gold, silver, copper, lead and zinc are formed as a result of the precipitation of ore minerals from up-welling hydrothermal fluids. There are several classes of epithermal deposits that are defined on the basis of fluid chemistry and resulting alteration and ore mineralogy. Fluid chemistry is largely controlled by the proximity to igneous intrusive rocks and as a result igneous fluid content.

**Extrusive Rock:** Igneous rock that has solidified on the earth's surface from volcanic action.

**Fault:** A fracture in a rock where there had been displacement of the two sides.

**Faults:** Breaks in rocks with noticeable movement or displacement of the rocks on either side of the break.

**Feldspar:** A group of aluminum silicate minerals closely related in chemical composition and physical properties. There are two major chemical varieties of feldspar: the potassium aluminum, or potash, feldspars and the sodium-calcium-aluminum, or plagioclase, feldspars. The feldspars possess a tetrahedral framework of silicon and oxygen, with the partial substitution of aluminum for the silicon. They make up about 60 percent of the earth's crust.

**Felsic:** Light coloured silicate minerals, mainly quartz and feldspar, or an igneous rock comprised largely of felsic minerals (granite, rhyolite).

**Fluid inclusion:** A cavity, with or without negative crystal faces, containing one or two fluid phases, and possibly one or more minute crystals, in a host crystal. If two fluid phases are present, the vapour phase (bubble) may show Brownian motion.

**Folds:** Are flexures in bedded or layered rocks. They are formed when forces are applied gradually to rocks over a long period of time.

**Fracture:** Breaks in a rock, usually due to intensive folding or faulting.

**Gabbro:** A group of dark-colored, basic intrusive igneous rocks composed principally of basic plagioclase (commonly labradorite or bytownite) and clinopyroxene (augite), with or without olivine and orthopyroxene; also, any member of that group. It is the approximate intrusive equivalent of basalt. Apatite and magnetite or ilmenite are common accessory minerals.

**Gambusino:** Small miners working without machinery.

**Gangue:** Term used to describe worthless minerals or rock waste mixed in with the valuable minerals.

**Geochemical Anomaly:** An area of elevated values of a particular element in soil or rock samples collected during the preliminary reconnaissance search for locating favourable metal concentrations that could indicate the presence of surface or drill targets.

**Geochemistry:** The study of the chemistry of rocks, minerals, and mineral deposits.

**Geophysics:** The study of the physical properties of rocks, minerals, and mineral deposits.

Gneiss: A coarse grained metamorphic rock characterized by alternating bands of unlike minerals, commonly light bands of quartz and feldspar and dark bands of mica and hornblende.

Gossan: The leached and oxidised near surface part of a sulphide mineral deposit, usually consisting largely of hydrated iron oxides left after copper and other minerals have been removed by downward leaching.

Gouge: The finely ground rock that results from the abrasion along a fault surface.

**Grade:** The concentration of each ore metal in a rock sample, usually given as weight percent. Where extremely low concentrations are involved, the concentration may be given in grams per tonne (g/t) or ounces per ton (oz/t). The grade of an ore deposit is calculated, often using sophisticated statistical procedures, as an average of the grades of a very large number of samples collected from throughout the deposit.

**Granite:** A coarse grained, plutonic igneous rock that is normally pale pink, pale pink-brown, or pale grey, and composed of quartz, alkali feldspar, micas and accessory minerals.

**Granodiorite:** A coarse grained, plutonic igneous rock that is normally pale grey, and composed of quartz, calc-alkali feldspar, micas and accessory minerals.

**Gravity survey:** A geophysical survey which measures the variations of the earth's gravitational field in order to differentiate between rocks of contrasting specific gravities.

**Grid:** A network composed of two sets of uniformly spaced parallel lines, usually intersecting at right angles and forming squares, superimposed on a map, chart, or aerial photograph, to permit identification of ground locations by means of a system of coordinates and to facilitate computation of direction and distance and size of geologic, geochemical or geophysical features.

**Hanging wall and Footwall:** Terms used in reference to faults where when mining along a fault, your feet would be in the footwall side of the fault and the other side would be "hanging" over your head.

**Hectare:** A square of 100 metres on each side.

**Host rock:** The rock within which the ore deposit occurs.

**Hydrothermal:** Of or pertaining to hot water, to the action of hot water, or to the products of this action, such as a mineral deposit precipitated from a hot aqueous solution; also, said of the solution itself. "Hydrothermal" is generally used for any hot water, but has been restricted by some to water of magmatic origin.

**Igneous:** Means a rock formed by the cooling of molten silicate material.

**Ignimbrite:** The rock formed by the widespread deposition and consolidation of ash flows and nuees ardentes. The term includes welded tuff and nonwelded but recrystallized ash flows.

**Induced polarization (I.P.) method:** The method used to measure various electrical responses to the passage of alternating currents of different frequencies through near-surface rocks or to the passage of pulses of electricity.

**Intermediate:** An igneous rock made up of both felsic and mafic minerals (diorite).

**Intrusion:** General term for a body of igneous rock formed below the surface.

**Intrusive Rock:** Any igneous rock solidified from magma beneath the earth's surface.

**Joint venture agreement:** An agreement where the parties agree to the terms on which a property will be jointly explored, developed, and mined. (See also "Option agreement" and "Earn in").

**Jurassic:** Geological time period between 195 and 136 million years ago.

Kimberlite: A kimberlite is a pipe-like volcano sourced from deep within the earth under extreme temperatures and pressures. It is the host rock for diamonds and diamond indicator minerals such as kimberlitic ilmenites and garnets.

**Kriging:** (a) A statistical technique employed in calculating grade and tonnage of ore reserves from sampling data. The data are handled by computer. (b) A technique for interpolating which honors data points exactly. An output point is calculated as a linear combination of known data points. Kriging attempts to produce the best linear unbiased estimate. Used to interpolate between drillholes.

**K-silicate:** Potassium-bearing silicates. Potassium silicates are very common rock-forming minerals, however they are also formed by the interaction of hydrothermal fluids derived from the cooling intrusive rocks that are genetically and spatially associated with porphyry and epithermal deposits. Potassium feldspar (orthoclase) and potassium mica (biotite) are both commonly closely associated with copper-molybdenum ore in porphyry copper deposits.

**K-spar:** Potassium feldspar.

**Lamprophyre:** A group of dike rocks in which dark minerals occur both as phenocrysts and in the groundmass and light minerals occur in the groundmass. Essential constituents are biotite, hornblende, pyroxene, and feldspar or feldspathoids. Most lamprophyres are highly altered. They are commonly associated with carbonatites.

**Lava:** Means an igneous rock formed by the cooling of molten silicate material which escapes to the earth's surface or pours out onto the sea floor.

**Limestone:** Sedimentary rock that is composed mostly of carbonates, the two most common of which are calcium and magnesium carbonates.

**Lithosphere:** The crust and upper mantle, located above the asthenosphere and composing the rigid plates.

**Mafic:** A general term used to describe ferromagnesian minerals. Rocks composed mainly of ferromagnesian minerals are correctly termed melanocratic.

**Magma:** Naturally occurring molten rock material, generated within the earth and capable of intrusion and extrusion, from which igneous rocks have been derived through solidification and related processes. It may or may not contain suspended solids (such as crystals and rock fragments) and/or gas phases.

**Massive:** Implies large mass. Applied in the context of hand specimens of, for example, sulphide ores, it usually means the specimen is composed essentially of sulphides with few, if any, other constituents.

**Metamorphic:** Means any rock which is altered within the earth's crust by the effects of heat and/or pressure and/or chemical reactions. Pertains to the process of metamorphism or to its results.

**Metasediment:** A sediment or sedimentary rock that shows evidence of having been subjected to metamorphism.

**Metavolcanic:** An informal term for volcanic rocks that show evidence of having been subject to metamorphism.

**Mineral claim:** A legal entitlement to minerals in a certain defined area of ground.

**Mineral Deposit or Mineralized Material:** A mineralized underground body which has been intersected by sufficient closely spaced drill holes and or underground sampling to support sufficient tonnage and average grade of metal(s) to warrant further exploration-development work. This deposit does not qualify as a commercially mineable ore body (Reserves), as prescribed under Commission standards, until a final and comprehensive economic, technical, and legal feasibility study based upon the test results is concluded



**Mineral:** A naturally occurring, inorganic, solid element or compound that possesses an orderly internal arrangement of atoms and a unique set of physical and chemical properties.

**Mineralization:** Usually implies minerals of value occurring in rocks.

**Monocline:** A structure in which a bed exhibits local steepening of otherwise uniform dip.

National Instrument 43-101 or NI 43-101: A rule developed by the Canadian Securities Administrators and administered by the provincial securities commissions that govern how issuers disclose scientific and technical information about their mineral projects to the public. It covers oral statements as well as written documents and websites. It requires that all disclosure be based on advice by a "qualified person" and in some circumstances that the person be independent of the issuer and the property.

Net profits interest: A contractual granted right to some portion of the profits after deduction of expenses sometimes expressed as a form of royalty.

Net smelter returns: Means the amount actually paid to the mine or mill owner from the sale of ore, minerals and other materials or concentrates mined and removed from mineral properties. A royalty based on net smelter returns usually provides cash flow that is free of any operating or capital costs and environmental liabilities.

Option agreement: An agreement where the optionee can exercise certain options to acquire or increase an interest in a property by making periodic payments or share issuances or both to the optionor or by exploring, developing or producing from the optionor's property or both. Usually upon the acquisition of such interest, all operations thereafter are on a joint venture basis.

Ordinary kriging: The basic technique of kriging and uses a weighted average of neighbouring samples to estimate the 'unknown' value at a given location. Weights are optimized using the semi-variogram model, the location of the samples and all the relevant inter-relationships between known and unknown values. The technique also provides a "standard error" which may be used to quantify confidence levels.

Ore: A natural aggregate of one or more minerals which may be mined and sold at a profit, or from which some part may be profitably separated.

Ore reserve: The measured quantity and grade of all or part of a mineralized body in a mine or undeveloped mineral deposit for which the mineralization is sufficiently defined and measured on three sides to form the basis of at least a preliminary mine production plan for economically viable mining.

Orogeny: The process of forming mountains by folding and thrusting.

Outcrop: An in situ exposure of bedrock.

Overburden: A general term for any material covering or obscuring rocks from view.

oz/t or opt: Ounces per ton.

Paleozoic: An era of geologic time, from the end of the Precambrian to the beginning of the Mesozoic, or from about 570 to about 225 million years ago.

Panel Sample: A large volume/weight continuous rock chip sample collected over a definite area (e.g. 0.25m X 0.50m), and to a uniform depth (e.g. 2.5cm or 1 inch), on a mineral zone. Panel sampling is generally employed in a trenching program to obtain more representative grades particularly of a narrow mineralized structure such as a vein.

Peridotite: A coarse grained ultramafic rock commonly consisting of olivine and pyroxenes.

Phenocrysts: An unusually large crystal in a relatively finer grained matrix.

Phonolite: Any extrusive rock composed of alkali feldspar, mafic minerals and any feldspathoid, such as nepheline, leucite, or sodalite.

Pluton: Term for an igneous intrusion, usually formed from magma.

Porphyry: An igneous rock composed of larger crystals set within a finer ground mass.

**Pyroclastic rock:** A rock of volcanic origin consisting of highly variable mixture of rock fragments, cinders and ashes and bits of crystals and glass.

**Pyroxenites:** Ultramafic plutonic rock chiefly composed of pyroxene, with accessory hornblende, biotite, or olivine.

**Quartz monzonite:** A coarse grained, plutonic igneous rock that is normally pale pink, and composed of quartz, alkali feldspar, micas and accessory minerals.

**Rare Earth:** A group of rare metallic chemical elements with consecutive atomic numbers of 57 to 71.

**Reclamation bond:** A bond usually required by governmental mining regulations when mechanized work on a property is contemplated. Proceeds of the bond are used to reclaim any workings or put right any damage if reclamation undertaken does not satisfy the requirements of the regulations.

**Reserve:** That part of a mineral deposit which could be economically extracted or produced at the time of the reserve determination.

**Reserves:** A natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated.

**Reverse circulation drill:** A rotary percussion drill in which the drilling mud and cuttings return to the surface through the drill pipe.

**Rhyolite:** The fine grained equivalent of a granite.

**Royalty interest:** A royalty, the calculation and payment of which is tied to some production unit such as tonne of concentrate or ounce of gold or silver produced. A common form of royalty interest is based on the net smelter return.

**Sample:** Small amount of material that is supposed to be absolutely typical or representative of the object being sampled.

**Sandstone:** Composed of sand-sized fragments cemented together. As a rule the fragments contain a high percentage of quartz.

**Schist:** A strongly foliated crystalline rock, formed by dynamic metamorphism, that has well-developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit, e.g. mica and hornblende.

**Sedimentary:** A rock formed from cemented or compacted sediments.

**Sediments:** Are composed of the debris resulting from the weathering and breakup of other rocks that have been deposited by or carried to the oceans by rivers, or left over from glacial erosion or sometimes from wind action.

**Selvage:** A marginal zone, as in a dyke or vein, having some distinctive feature of fabric or composition.

**Sericite:** A fine-grained variety of mica occurring in small scales, especially in schists.

**Shale:** An argillaceous rock consisting of silt or clay-sized particles cemented together. Most shales are quite soft, because they contain large amounts of clay minerals.

Shear zone: Where a fault affects a width of rock rather than being a single clean break, the width of affected rock is referred to as the shear zone. The term implies movement, i.e. shearing.

**Silicate:** Most rocks are made up of a small number of silicate minerals ranging from quartz ( $\text{SiO}_2$ ) to more complex minerals such as orthoclase feldspar ( $\text{KAlSi}_3\text{O}_8$ ) or hornblende ( $\text{Ca}_2\text{Na}(\text{Mg,Fe})_4(\text{Al,Fe,Ti})\text{Si}_8\text{O}_{22}(\text{OH})_2$ ).

**Sill:** Tabular intrusion which is sandwiched between layers in the host rock.

**Skarn:** A thermally altered impure limestone in which material has been added to the original rock. Skarns are generally characterized by the presence of calcium and silica rich minerals. Many skarns contain sulphide minerals which in some cases can be of economic value.

**Sonic drill:** A drill used to penetrate soft sediments where the drill advance by means of slow rotations and sonic vibrations. Samples of very soft material can be collected with this system.

**Stock:** An igneous intrusive body of unknown depth with a surface exposure of less than 104 square kilometres. The sides, or contacts, of a stock, like those of a batholith, are usually steep and broaden with depth.

**Stockwork:** A mineral deposit consisting of a three-dimensional network of closely spaced planar or irregular veinlets.

**Strike:** The bearing, or magnetic compass direction, of an imaginary line formed by the intersection of a horizontal plane with any planar surface, most commonly with bedding planes or foliation planes in rocks.

**Sulphide minerals:** A mineral compound characterized by the linkage of sulfur with a metal or semimetal; e.g., galena.

**Syncline:** A fold in which the bed has been forced down in the middle or up on the sides to form a trough.

**Tailings:** Material rejected from a mill after recoverable valuable minerals have been extracted.

**Tailings pond:** A pond where tailings are disposed of.

**Till:** An unsorted sediment made up of clay, sand and boulders left in the wake of a glaciation.

**Tonne:** Metric ton – 1,000 kilograms – equivalent to 1.1023 tons.

**Tourmaline:** A group of minerals of general formula  $(\text{Na,Ca})(\text{Mg,Fe}^{+2},\text{Fe}^{+3},\text{Al,Li})_3\text{Al}_6(\text{BO}_3)_3\text{Si}_6\text{O}_{18}(\text{OH})_4$ ; it sometimes contains fluorine in small amounts. Also, any mineral of the tourmaline group. Tourmaline occurs in 3-, 6-, or 9-sided prisms, usually vertically striated, or in compact or columnar masses; it is commonly found as an accessory mineral in granitic pegmatites, and is widely distributed in acid igneous rocks and in metamorphic rocks. It can indicative of alteration associated with porphyry style mineralization.

**Tremolite:** A white to dark-gray monoclinic mineral of the amphibole group:  $\text{Ca}_2\text{Mg}_5\text{Si}_8\text{O}_{22}(\text{OH})_2$ . It occurs in long blade-shaped or short stout prismatic crystals, and also in columnar or fibrous masses, esp. in metamorphic rocks such as crystalline dolomitic limestone and talc schist. It is a constituent of much commercial talc. alteration — usually referring to chemical reactions in a rock mass resulting from the passage of hydrothermal fluids.

**Triassic:** Geological time period between 225 and 195 million years ago.

**Tuff :** A finer grained pyroclastic rock made up mostly of ash and other fine grained volcanic material.

**Veins:** The mineral deposits that are found filling openings in rocks created by faults or replacing rocks on either side of faults.

**Vuggy silica:** In a high sulphidation epithermal environment, the highly acidic waters have dissolved everything but silica resulting in a highly porous and pox marker rock which is a good host for gold deposition. It is an indicator mineralization typical of epithermal rocks.

**Waste:** Rock which is not ore. Usually referred to that rock which has to be removed during the normal course of mining in order to get at the ore.

Glossary of Abbreviations

Ag: Silver  
Ag gm/t: Silver grade measured in grams per metric tonne  
Converts to ounces per ton by dividing by 34.286  
Au: Gold  
Au gm/t: Gold grade measured in grams per metric tonne  
Converts to ounces per ton by dividing by 34.286  
Ba: Barium  
Co: Cobalt  
CRD: Carbonate replacement deposit  
Cu: Copper  
EIS: Environmental Impact Statement  
Fe: Iron  
gpm: gallons per minute  
gpt: grams per tonne  
g/t: grams per tonne  
IP: Induced Polarization geophysical survey  
masl: meters above sea level  
Ni: Nickel  
NSR: net smelter return royalty  
opt: ounces per ton  
Oz: Troy ounce  
Pb: Lead  
Pd: Palladium  
PGM: Platinum group minerals  
Pt: Platinum  
QA/QC: Quality Assurance/Quality Control  
S: Sulphur  
tpd: Tonnes per day  
ton: Short ton (2,000 pounds)  
tonne: Metric ton (1000 kilograms - 2204.62 pounds)  
VLF: Very low frequency electromagnetic geophysical survey  
VMS: Volcanogenic massive sulphide



## NOTES CONCERNING TERMINOLOGY RELATED TO RESOURCES AND RESERVES

Please see “CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES,” below.

The terms "mineral resource", "measured mineral resource", "indicated mineral resource", "inferred mineral resource", "mineral reserve", "probable mineral reserve" and "proven mineral reserve" used in this Annual Report are Canadian mining terms as defined in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council. On November 14, 2004 and November 27, 2010, CIM Council adopted an update to the CIM Definition Standards to reflect the more detailed guidance available and effect certain editorial changes required to maintain consistency with current regulations. This version of the CIM Definition Standards includes further editorial changes required to maintain compatibility with the new version of National Instrument 43-101 which became Canadian law in 2011. The CIM Definition Standards can be viewed on the CIM website at [www.cim.org](http://www.cim.org). In accordance with Industry Guide 7, Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations, issued by the U. S. Securities and Exchange Commission (“SEC”), a reserve is termed a “mineral deposit”.

### Definitions

#### Qualified Person

Mineral Resource and Mineral Reserve estimates and resulting technical reports under NI 43-101 must be prepared by or under the direction of, and dated and signed by, a Qualified Person. A “Qualified Person” means an individual who is an engineer or geoscientist with a university degree, or equivalent accreditation, with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association. The Qualified Person(s) should be clearly satisfied that they could face their peers and demonstrate competence and relevant experience in the commodity, type of deposit and situation under consideration. If doubt exists, the person must either seek or obtain opinions from other colleagues or demonstrate that he or she has obtained assistance from experts in areas where he or she lacked the necessary expertise. Determination of what constitutes relevant experience can be a difficult area and common sense has to be exercised. For example, in estimating Mineral Resources for vein gold mineralization, experience in a high-nugget, vein-type mineralization such as tin, uranium etc. should be relevant whereas experience in massive base metal deposits may not be. As a second example, for a person to qualify as a Qualified Person in the estimation of Mineral Reserves for alluvial gold deposits, he or she would need to have relevant experience in the evaluation and extraction of such deposits. Experience with placer deposits containing minerals other than gold, may not necessarily provide appropriate relevant experience for gold. In addition to experience in the style of mineralization, a Qualified Person preparing or taking responsibility for Mineral Resource estimates must have sufficient experience in the sampling, assaying, or other property testing techniques that are relevant to the deposit under consideration in order to be aware of problems that could affect the reliability of the data. Some appreciation of extraction and processing techniques applicable to that deposit type might also be important.

Estimation of Mineral Resources is often a team effort, for example, involving one person or team collecting the data and another person or team preparing the Mineral Resource estimate. Within this team, geologists usually occupy the pivotal role. Estimation of Mineral Reserves is almost always a team effort involving a number of technical disciplines, and within this team mining engineers have an important role. Documentation for a Mineral Resource and Mineral Reserve estimate must be compiled by, or under the supervision of, a Qualified Person(s), whether a geologist, mining engineer or member of another discipline. It is recommended that, where there is a clear division of responsibilities within a team, each Qualified Person should accept responsibility for his or her particular contribution.

For example, one Qualified Person could accept responsibility for the collection of Mineral Resource data, another for the Mineral Reserve estimation process, another for the mining study, and the project leader could accept responsibility for the overall document. It is important that the Qualified Person accepting overall responsibility for a Mineral Resource and/or Mineral Reserve estimate and supporting documentation, which has been prepared in whole or in part by others, is satisfied that the other contributors are Qualified Persons with respect to the work for which they are taking responsibility and that such persons are provided adequate documentation.

#### Preliminary Economic Assessment

A study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources.

#### Preliminary Feasibility Study (Pre-Feasibility Study)

The CIM Definition Standards requires the completion of a Preliminary Feasibility Study as the minimum prerequisite for the conversion of Mineral Resources to Mineral Reserves.

A Preliminary Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve.

#### Feasibility Study

A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of realistically assumed mining, processing, metallurgical, economic, marketing, legal, environmental, social and governmental considerations together with any other relevant operational factors and detailed financial analysis, that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

#### Exploration Information

Exploration information means geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define or delineate a mineral prospect or mineral deposit. It is recognised that in the review and compilation of data on a project or property, previous or historical estimates of tonnage and grade, not meeting the minimum requirement for classification as Mineral Resource, may be encountered. If a Qualified Person reports Exploration Information in the form of tonnage and grade, it must be clearly stated that these estimates are conceptual or order of magnitude and that they do not meet the criteria of a Mineral Resource.

#### Mineral Resource

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource. A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase "reasonable prospects for economic extraction" implies a judgement by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of

economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports.

#### Inferred Mineral Resource

An “Inferred Mineral Resource” is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

#### Indicated Mineral Resource

An “Indicated Mineral Resource” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

#### Measured Mineral Resource

A “Measured Mineral Resource” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade of the mineralization can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

#### Mineral Reserve

Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. A Probable Mineral Reserve has a lower level of confidence than a Proven Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. Mineral Reserves are those parts of Mineral Resources which, after the application of all mining factors, result in an estimated tonnage and grade which, in the opinion of the Qualified Person(s) making the estimates, is the basis of an economically viable project after taking account of all relevant processing, metallurgical, economic, marketing, legal, environment, socio-economic and government factors. Mineral Reserves are inclusive of

diluting material that will be mined in conjunction with the Mineral Reserves and delivered to the treatment plant or equivalent facility. The term “Mineral Reserve” need not necessarily signify that extraction facilities are in place or operative or that all governmental approvals have been received. It does signify that there are reasonable expectations of such approvals.

#### Probable Mineral Reserve

A “Probable Mineral Reserve” is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

#### Proven Mineral Reserve

A “Proven Mineral Reserve” is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified. Application of the Proven Mineral Reserve category implies that the Qualified Person has the highest degree of confidence in the estimate with the consequent expectation in the minds of the readers of the report. The term should be restricted to that part of the deposit where production planning is taking place and for which any variation in the estimate would not significantly affect potential economic viability.

### CAUTIONARY NOTE TO U.S. INVESTORS REGARDING MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

As used in this Annual Report on Form 20-F, the terms “Mineral Reserve,” “Proven Mineral Reserve” and “Probable Mineral Reserve” are Canadian mining terms defined in accordance with NI 43-101 and the CIM Standards. These definitions differ from the definitions in SEC Industry Guide 7 under the U.S. Securities Act. Under SEC Industry Guide 7, a reserve is defined as that part of a mineral deposit which could be economically and legally extracted or produced at the time the reserve determination is made. The terms “Mineral Resource,” “Measured Mineral Resource,” “Indicated Mineral Resource” and “Inferred Mineral Resource” are defined in and required to be used by NI 43-101. However, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all, or any part, of a mineral deposit in these categories will ever be converted into reserves. “Indicated Mineral Resource” and “Inferred Mineral Resource” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all, or any part, of an Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of Feasibility or Preliminary Feasibility studies, except in rare cases. Investors are cautioned not to assume that all, or any part, of an Inferred Mineral Resource exists or is economically or legally mineable. Disclosure of “contained ounces” in a resource is permitted disclosure under Canadian regulations. However, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. Accordingly, information contained in this Annual Report on Form 20-F and the exhibits filed herewith or incorporated by reference herein contain descriptions of mineral deposits that may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under U.S. federal securities laws and the rules and regulations promulgated thereunder. Further, the term “mineralized material” as used in this Annual Report on Form 20-F does not indicate “reserves” by SEC standards. We cannot be certain that mineralized material will ever be confirmed or converted into SEC Industry Guide 7 compliant “reserves”. Investors are cautioned not to assume that mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted.

#### Conversion Table

##### Metric Imperial

1.0 millimetre (mm) = 0.039 inches (in)

1.0 metre (m) = 3.28 feet (ft)

1.0 kilometre (km) = 0.621 miles (mi)

1.0 hectare (ha) = 2.471 acres (ac)

1.0 gram (g) = 0.032 troy ounces (oz)

1.0 metric tonne (t) = 1.102 short tons (ton)

1.0 g/t = 0.029 oz/ton

Unless otherwise indicated, all dollar (\$) amounts referred to herein are in Canadian dollars.



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 20-F and the exhibits attached hereto contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and development of our properties, plans related to our business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning Mineral Reserve and Mineral Resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if a property is developed, and in the case of Mineral Reserve, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain events or results “may”, “could”, “would”, “might” or “will” (or the negative and grammatical variations of any of these terms and similar expressions) be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the sections entitled “ITEM 3. KEY INFORMATION - Risk Factors”, “ITEM 4.B. INFORMATION ON THE COMPANY - Business Overview”, “ITEM 4. INFORMATION ON THE COMPANY - Property, Plants and Equipment” and “ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS” and in the exhibits attached to this Annual Report on Form 20-F. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the Company’s forward-looking statements. The Company’s forward-looking statements are based on beliefs, expectations and opinions of the Company’s management on the date the statements are made and the Company does not assume any obligation to update forward-looking statements if circumstances or management’s beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

Please consult the Company’s public filings at [www.sec.gov](http://www.sec.gov) for further, more detailed information concerning these matters.

## PART I

### Item 1. Identity of Directors, Senior Management and Advisors

Not applicable

### Item 2. Offer Statistics and Expected Timetable

Not applicable

### Item 3. Key Information

The following selected financial data of the Company for Fiscal 2013, Fiscal 2012 and Fiscal 2011 ended December 31st was derived from the consolidated financial statements of the Company included elsewhere in this 20-F Annual Report. The selected financial data set forth for Fiscal 2010 and Fiscal 2009 ended December 31st are derived from the Company's audited consolidated financial statements, not included herein. The selected financial data should be

read in conjunction with the consolidated financial statements and other information included immediately following the text of this Annual Report.

The consolidated financial statements of the Company have been prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”).

Pursuant to SEC Release No. 33-8879 “Acceptance from Foreign Private Issuers of Financial Statements Prepared in Accordance with International Reporting Standards Without Reconciliation to U.S. GAAP”, the Company includes selected financial data prepared in compliance with IFRS as issued by IASB without reconciliation to U.S. GAAP.

The basis of preparation is described in Note 2 to our consolidated financial statements.

Table No. 1  
Selected Financial Data  
International Financial Reporting Standards (“IFRS”)  
(expressed in thousands of Canadian dollars, except share and per share data)

	Year Ended 12/31/2013	Year Ended 12/31/2012	Year Ended 12/31/2011	Year Ended 12/31/2010	Year Ended 12/31/2009
Revenues	\$ 220	\$ 299	\$ 249	\$ 234	\$ 2,441
Net (loss) income	(6,357 )	(10,238 )	7,295	(3,465 )	(2,286 )
Basic net (loss) income per common share	(0.10 )	(0.17 )	0.13	(0.07 )	(0.05 )
Diluted net (loss) income per common share	(0.10 )	(0.17 )	0.12	(0.07 )	(0.05 )
Weighted average shares (000)	62,055	59,350	57,269	51,188	45,847
Working capital	12,676	19,475	30,513	29,187	14,530
Exploration and evaluation assets	24,447	16,609	10,470	4,439	8,417
Net assets	47,891	48,071	53,340	35,694	25,171
Total assets	48,988	49,132	53,905	36,343	25,659
Capital stock	81,151	75,238	73,354	62,854	50,878
Dividends declared per share	0	0	0	0	0

#### Canadian/U.S. Dollar Exchange Rates

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in Canadian dollars (CDN\$).

Table No. 2 sets forth the exchange rate for the Canadian dollars at the end of the five most recent fiscal periods ended at December 31st, the average rates for the period, the range of high and low rates and the close for the period. Table No. 3 sets forth the range of high and low rates for each month during the previous six months.

For purposes of this table, the rate of exchange means the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York. The table sets forth the number of Canadian Dollars required under that formula to buy one U.S. Dollar. The average rate means the average of the exchange rates on the last day of each month during the period.

Table No. 2  
Canadian Dollar/U.S. Dollar Exchange Rates for Five Most Recent Financial Years

	Average	High	Low	Close
Fiscal Year Ended 12/31/2013	\$1.03	\$1.07	\$0.98	\$1.06
Fiscal Year Ended 12/31/2012	1.00	1.04	0.97	1.00
Fiscal Year Ended 12/31/2011	0.99	1.06	0.94	1.02
Fiscal Year Ended 12/31/2010	1.03	1.08	1.00	1.00
Fiscal Year Ended 12/31/2009	1.14	1.30	1.03	1.05

Table No. 3  
Canadian Dollar/U.S. Dollar Exchange Rates for Previous Six Months

	September 2013	October 2013	November 2013	December 2013	January 2014	February 2014
High	\$1.05	\$1.05	\$1.06	\$1.07	\$1.12	\$1.11
Low	1.02	1.03	1.04	1.06	1.06	1.10

The exchange rate was \$1.12 on March 21, 2014.

## Risk Factors

### General Risk Factors Attendant to Resource Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Presently, the Company is in the exploration stage and there is no assurance that a commercially viable ore deposit (a reserve) exists in any of its properties or prospects until further exploration work is done and a comprehensive economic evaluation based upon that work is concluded. The Company has financed its operations principally through the sale of equity securities, entering into joint venture arrangements and the sale of its inventory of gold. The recoverability of mineral properties is dependent on the establishment of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and ultimately upon future profitable production or the realization of proceeds from the disposition of the properties.

### Uncertainty in Discovering Commercially Mineable Ore Deposits

There is no certainty that the expenditures to be made by the Company in the exploration of its properties and prospects as described herein will result in discoveries of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

### History of Net Losses, Lack of Cash Flow and Assurance of Profitability

The Company had net losses in a number of years since its date of incorporation. Due to the nature of the Company's business, there can be no assurance that the Company will be profitable. The Company had net losses of \$6,356,609 in Fiscal 2013, \$10,238,377 in Fiscal 2012 and net income of \$7,294,858 in Fiscal 2011.

The Company currently has no revenues from operations as all of its properties and prospects are in the exploration stage. There is no assurance that the Company will receive revenues from operations at any time in the near future. During Fiscal 2013, revenue consisted of interest and other income from office rental, and a royalty payment from Gold Mountain from the Elk property. During Fiscal 2012 and Fiscal 2011, revenue consisted of interest and other income from office rental and contract exploration services provided to third parties.

The Company has not paid dividends on their shares since incorporation and the Company does not anticipate doing so in the foreseeable future. The only source of funds available to the Company is through the sale of its inventory of gold, the sale of its equity shares and proceeds from sale of mineral properties. Any future additional equity financing would cause dilution to current stockholders.

#### Uncertainty of Obtaining Additional Funding Requirements

If the Company's exploration programs are successful, additional capital will be required for the development of an economic ore body and to place it in commercial production. The only sources of future funds presently available to the Company are the sale of its inventory of gold, sale of equity capital or the offering by the Company of an interest in its properties and prospects to be earned by another party or parties carrying out further development thereof. Failure to obtain additional financing on a timely basis could cause the Company to forfeit its interest in such properties, dilute its interests in the properties and/or reduce or terminate its operations.

#### Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the financing of the conduct of its business by the issuance for cash securities of the Company or incurring debt, or a combination of the two. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company usually seeks joint venture partners to fund in whole or in part exploration projects. This dilutes the Company's interest in properties it has acquired.

#### Mineral Prices May Not Support Corporate Profit

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The price of minerals is volatile over short periods of time, and is affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining techniques. Material changes in mineral prices may affect the economic viability of any project.

#### Environmental Regulations

The current and anticipated future operations of the Company, including development activities and commencement of production on its properties, require permits from various federal, territorial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. Such operations and exploration activities are also subject to substantial regulation under these laws by governmental agencies and may require that the Company obtain permits from various governmental agencies. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations, or that new legislation or modifications to existing legislation, would not have an adverse effect on any exploration or mining project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

The enactment of new laws or amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

As a requirement for performing certain exploration activities, the Company has \$33,264 on deposit as reclamation bonds for exploration work and site disturbance on prospects in Canada and the U.S. These allocated funds have been deposited for the benefit of the Province of British Columbia and the State of Nevada until released upon approval from the Province and State after all necessary reclamation work on the properties has been performed. If the reclamation is more prolonged and requires funds in addition to those already allocated, the Company could be forced to pay for the extra work and it could have a significant negative impact upon the Company's financial position and operations.



#### No Guarantee of Title to Mineral Properties

While the Company has investigated title to all of its mineral properties and prospects, and, to the best of its knowledge, title to all of its properties and prospects in which it has the right to acquire or earn an interest are in good standing as of the date of this Annual Report, this should not be construed as a guarantee of title. The properties and prospects may be subject to prior unregistered agreements or transfers unknown to the Company and title may be affected by undetected defects, e.g. defects in staking or acquisition process.

As there are unresolved native land claim issues in British Columbia and the Yukon Territory, the Company's properties and prospects in these jurisdictions may be affected in the future.

If title is disputed, the Company will have to defend its ownership through the courts, which would likely be an expensive and protracted process and have a negative effect on the Company's operations and financial condition. In the event of an adverse judgment, the Company could lose its property rights.

#### Volatility of Share Price

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, exploration and financial results, and other factors could have a significant effect on the price of the Company's shares.

#### Material Risk of Dilution Presented by Large Number of Outstanding Share Purchase Options and Warrants

As of March 28, 2014 there were share purchase options outstanding allowing the holders of these options to purchase 6,195,000 shares of common stock and warrants allowing the holders of these warrants to purchase 4,562,000 shares of common stock. Directors and officers of the Company hold 5,210,000 of these share purchase options and 76,000 of these warrants. An additional 985,000 share purchase options are held by employees and consultants of the Company. Given the fact that as of March 28, 2014 there were 64,578,321 shares of common stock outstanding, the exercise of all of the existing share purchase options would result in further dilution to the existing shareholders and could depress the price of the Company's shares. The exercise of all outstanding share purchase options and warrants would cause the number of issued and outstanding common shares to rise 16.7%.

#### No Proven Reserves

The properties and prospects in which the Company has an interest or the properties in which the Company has the right to earn an interest are in the exploratory stage only, are without a known body of ore and are not in commercial production. If the Company does not ultimately find a body of economically recoverable ore, it would either have to acquire additional exploration projects, or terminate its operations.

#### Uncertainty of Reserves and Mineralization Estimates

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgement. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metals prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limiting to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves.

#### Changes to Mexican Mining Taxes

In October 2013, the Mexican Congress approved a package of tax reforms which included significant changes to the country's mining royalties and tax structure. These new laws have an effective date of January 1, 2014. The changes include a 7.5% special mining royalty on earnings before interest, taxes, depreciation and amortization ("EDITDA") and an additional 0.5% royalty on gross revenues from precious metal production. The new law also increases annual taxes on certain inactive exploration concessions by 50 to 100%. These changes may result in increased holding costs to the Company for its existing mineral concessions. The new taxes and royalties may also materially and adversely affect the potential to define economic reserves on any Mexican properties and result in the Company's Mexican properties being less attractive to potential optionees or joint-venture partners.

#### Foreign Incorporation and Civil Liabilities

The Company was created under amalgamation under the laws of the Province of British Columbia, Canada. All of the Company's directors and officers are residents of Canada and substantially all of the Company's assets and its subsidiaries are located outside the U.S. Consequently, it may be difficult for U.S. investors to affect service of process in the U.S. upon those directors and officers who are not residents of the U.S., or to realize in the U.S. upon judgements of U.S. courts predicated upon civil liabilities under applicable U.S. laws.

#### Conflict of Interest

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. Duane Poliquin and Morgan Poliquin also serve as directors of Gold Mountain Mining Corporation. Joseph Montgomery also serves as a director of Infrastructure Materials Corp. and Cosigo Resources Inc. Gerald Carlson also serves as Vice-President of Exploration of Pacific Ridge Exploration Ltd. and a director of Golden Peak Minerals Inc. Barry Smee also serves as a director of Platinum Group Metals Ltd. Mark Brown also serves as a director and CFO of Big Sky Petroleum Corporation and Tarsis Resources Ltd. He also serves as a director of Avrupa Minerals Ltd., Estrella Gold Corporation, Galileo Petroleum Ltd., Animas Resources Ltd., Strategem Capital Corp. and Sutter Gold Mining Ltd. These associations may give rise from time to time to conflicts of interest, as a result of which, the Company may miss the opportunity to participate in certain transactions.

#### Foreign Operations

The Company currently has exploration projects located in Mexico and the U.S. The Company's foreign activities are subject to the risk normally associated with conducting business in foreign countries, including exchange controls and currency fluctuations, limitations on repatriation of earnings, foreign taxation, laws or policies of particular countries, labor practices and disputes, and uncertain political and economic environments, as well as risks of war and civil disturbances, or other risk that could cause exploration or development difficulties or stoppages, restrict the movement of funds or result in the deprivation or loss of contract rights or the taking of property by nationalization or expropriation without fair compensation. Foreign operations could also be adversely impacted by laws and policies of the U.S. affecting foreign trade, investment and taxation.

#### Foreign Currency Fluctuations

At the present time, some of the Company's activities are carried on outside of Canada. Accordingly, it is subject to risks associated with fluctuations of the rate of exchange between the Canadian dollar and foreign currencies.

The Company is currently not engaged in currency hedging to offset any risk of exchange rate fluctuation and currently has no plans to engage in currency hedging.

#### Operating Hazards and Risks Associated with the Mining Industry

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected geological formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to or loss of life and property, environmental damage and possible legal liability for any or all damage or loss. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and the incurring of such liabilities would reduce the funds available for exploration activities.

#### The Ability to Manage Growth

Should the Company be successful in its efforts to develop its mineral properties or to raise capital for such development or for the development of other mining ventures it will experience significant growth in operations. If this occurs management anticipates that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The Company anticipates that it will need to recruit qualified personnel in all areas of its operations. There can be no assurance that the Company will be effective in retaining its current personnel or attracting and retaining additional qualified personnel, expanding its operational capacity or otherwise managing growth. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

#### Lack of a Dividend Policy

The Company does not intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends which the Company may pay will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

#### Competition

There is competition from other mining exploration companies with operations similar to those of the Company's. Many of the mining companies with which the Company competes have operations and financial strength many times greater than that of the Company. Such competitors could outbid the Company for such projects, equipment or personnel, or produce minerals at a lower cost which would have a negative effect on the Company's operations and financial condition.

#### Dependence on Key Personnel

The Company depends highly on the business and technical expertise of its management and key personnel, in particular, Duane Poliquin and Morgan Poliquin. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries. The Company maintains no "Key Man" insurance coverage, and the loss or unavailability of any of its key personnel could have a negative effect on the Company's ability to operate effectively.

#### Item 4. Information on the Company

##### History and Development of the Company

The head office of the Company is located at 750 West Pender Street, Suite 1103, Vancouver, British Columbia, Canada, V6C 2T8. The registered and records office of the Company is 1177 West Hastings Street, Suite 1710, Vancouver, British Columbia, Canada, V6E 2L3.

The contact persons are Duane Poliquin, Chairman and Morgan Poliquin, President. The telephone number is (604) 689-7644. The fax number is (604) 689-7645. The email address is info@almadenminerals.com. The web-site address is www.almadenminerals.com.

The Company was formed by amalgamation under the laws of the Province of British Columbia of its predecessor companies, Almaden Resources Corporation and Fairfield Minerals Ltd. on February 1, 2002. The Company operates under the laws of the Business Corporations Act (British Columbia).

The Company's common shares began trading on The Toronto Stock Exchange ("TSX") under the symbol "AMM" on February 11, 2002 and on the NYSE MKT, under the symbol "AAU" on December 19, 2005. Almaden Resources Corporation's initial public offering on the Vancouver Stock Exchange was pursuant to a prospectus dated October 10, 1986. The shares of Fairfield Minerals Ltd. began trading on the Vancouver Stock Exchange on July 18, 1986 and on The Toronto Stock Exchange on May 21, 1990.

There have been no public takeover offers by third parties in respect of the Company's shares and the Company has made no public takeover offers in respect of any other company's shares.

### Organizational Structure

The Company currently has ten wholly-owned subsidiaries that were formed to hold properties in their respective jurisdictions. These subsidiaries are:

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

At December 31, 2013, the Company owned a 50% share interest in ATW Resources Ltd. ("ATW"), a company incorporated in the Northwest Territories, Canada on January 6, 1993 and a 38.8% share interest in Gold Mountain Mining Corporation, a company incorporated in British Columbia, Canada on June 12, 2008 (formerly Beanstalk Capital Inc. and Set For Growth Developments Ltd.).

### Business of the Company

The Company is engaged in the business of the acquisition, exploration and when warranted, development of mineral properties. The Company has property interests in Canada, U.S. and Mexico. None of the Company's property interests are beyond exploration stage. Presently there is no assurance that any of the Company's mining properties or prospects contains a commercially viable ore body (reserve) until further exploration work is done and final feasibility study based upon such work is concluded. The Company is in the exploration stage and has not generated any revenues from operations.

### Business Overview

#### Maintaining properties

The following is a general statement about government requirements for holding mineral properties in the jurisdictions where the Company works.

In Canada, mining law is a provincial or territorial matter. Maintaining a mineral property requires annual assessment work or cash in lieu of work. Prior to starting a work program, an application describing the program is submitted to the government authorities and this is then distributed for comment to various departments for review, such as fisheries or forestry that may discern impact from the proposed work. The government has an obligation to consult with First Nation groups in the area that may have a land claim over the mineral claims, but this consultation is often delegated to the Company to handle. A memorandum of understanding may have to be negotiated with the First Nation before the government will issue a permit to work. If there is to be any environmental impact, an appropriate reclamation amount is determined and a bond is posted by the Company for this amount before the permit is issued.

In the U.S., federal mining laws govern mining claims on federal land, including land administered by the Bureau of Land Management ("BLM"). A payment of US\$140 per claim is payable to the BLM by September 1 of each year per twenty acre mining claim. This is filed in advance for the upcoming assessment year. Prior to any exploration

activity, an Exploration Plan is submitted to the BLM that outlines the work program and describes any proposed land disturbance. Reclamation plans are also submitted and an appropriate bond to ensure such reclamation is done may have to be provided before the permit is issued.

In Mexico, mining law is a federal matter. The government requires annual assessment work and expenditures per hectare which increase with the size and age of the claim. Under the tax reforms effective January 1, 2014, if a concession holder has not conducted exploration or exploitation activities during a two-year period, the concession holder would have to pay an additional 50% of the taxes payable per hectare if within the last 11 years, and an additional 100% of the taxes payable if after year 12. Land taxes per hectare also have to be paid by January 31 and July 31 each year. Both amounts are subject to inflation accounting and the inflation adjustment number for each fiscal period is published in the official gazette. Under the Mexican Constitution and the mining and environmental laws of Mexico, all mining projects are subject to Federal legal control. This control is exercised from the exploration phase through the closure phase of a mining project. Prior to the initiation of exploration activities, concession owners are required to file a notice of commencement of exploration activities in conformity with Mexican Official Norm 120 (NOM-120); prior to initiation of construction activities (and also in some more intrusive exploration activities), mining projects are required to apply for and obtain an environmental impact authorization and a land use permit from the Mexican Federal environmental agency SEMARNAT (Secretaria de Medio Ambiente y Recursos Naturales). This requires the presentation of an environmental impact manifest and a technical study which deals with the impacts, the environmental mitigation, and habitat compensation to the satisfaction of the authorities having environmental jurisdiction.

#### Competition

The mineral property exploration and development business, in general, is intensively competitive and there is not any assurance that even if commercial quantities of ore are discovered, a ready market will exist for sale of same. Numerous factors beyond our control may affect the marketability of any substances discovered. These factors include market fluctuations; the proximity and capacity of natural resource markets and processing equipment; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of mineral and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may make it difficult for us to receive an adequate return on investment.

We compete with many companies possessing greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

#### Seasonality

The Company's projects are spread from northern Canada to south/central Mexico and span several climate zones. In northern Canada, winter is often the best time to work because frozen lakes and swamps allow the movement of drills and other equipment. In western U.S., dry to desert conditions prevail and year round work is possible. In Mexico, the climate in the project areas is marked by dry, cold winters and a distinct rainy season. The rainy season typically begins in May or June and continues until late September to October. In most years roads remain passable and exploration can be done throughout the rainy season. Seasonal changes do not have a material impact on our exploration expenditures.

#### Exploration Program Protocols

##### General Sample Handling and Quality Control Program for Exploration Programs

The Company employs a strict quality control program for samples taken during its exploration programs. For drilling programs a quality control program is in place which includes the insertion of blanks, field duplicates and certified standards into the sample stream.

#### Chain of Custody



Samples of rock and drill core and cuttings are sealed by the sampler and kept under control of a qualified person until they are shipped to a laboratory.

#### Sample Handling

Sample handling for drilling programs is described more fully below. Soil and stream sediment samplers have been trained to industry standard levels of sampling methodology. In general, the Company sieves stream sediment samples to -20 mesh in the field during preparation. Samplers are required to not wear any jewellery or clothing or use equipment which may contaminate the sample. All sample locations are geographically located at the time of sampling using the Global Positioning System. The Company has prepared standardized sample information cards for samplers to record information concerning the sample location, type and medium. Outcrop, float and dump rock samples are collected by geologists who record similarly ordered geologic information relating to the sample taken.

#### Blanks

Blank material, a sample of crushed and pulverized rock, known to contain very low or non-detectable concentration of gold, is inserted as a pulp into the sample stream on an interval of every 20 samples. Blanks are intended to detect possible contamination.

#### Duplicates

During drill programs the company routinely includes a field duplicate into the sample stream, spaced at 20 sample intervals. Field duplicate samples are splits of drill core or reverse circulation cuttings from the sample interval. The resulting two field duplicate samples are submitted with separate sample numbers “blind” to the assay lab and separately treated as normal samples. The samples are taken randomly with no regard to rock type, geographic position or degree of alteration or mineralization. These field duplicates are then used to detect the cumulative uncertainties associated with the entire sampling and analytical process.

#### Standards

During drill programs the company routinely includes a field duplicate into the sample stream, spaced at 20 sample intervals. Certified standards are purchased from CDN Resource Labs of Vancouver and are prepared by this professional third party lab according to industry standard and accepted methodologies. Standards are utilized to monitor the accuracy of the laboratory work.

#### Sample Handling for Drill Programs

##### Core Box Preparation

Plastic core boxes are used for the storage of core. Each box is labelled by the drillers at the rig with the drill-hole number, a box number and an arrow to mark the start of the tray and the down-hole direction. Wooden core blocks, with the metreage in black marker pen, are inserted by the drillers at the end of each core run (usually 3 m or less). These core run intervals are checked and recorded by the geologist during mark up (see below). When filled with core the boxes are sealed with a plastic lid by the drillers and transported to the core logging facility.

##### Sample and Corebox Markup

Once at the core logging facility, the core boxes are marked up with the starting and ending metreage, written at the ends of the trays with a marker. An aluminum tag with the hole number, box number and metreage is then stapled to the front of each tray. The core blocks are then covered with an aluminum permi-tag with the depth inscribed and written over in black marker pen for clarity in core tray photographs. The start and end of each selected sample interval is marked with a red wax pencil mark across the core and sample numbers are written on the edge of the core box channels at the start and end of each sample interval. Intervals denoting the position in the sample tag sequence of field duplicate, blank and analytical standards are also marked on the core box. Different coloured tape was stapled to the boxes to indicate the position and type of duplicate sample. A permanent aluminum tag with the sample number inscribed on them was stapled to the inside of the core box channel at the start of each sample interval. A cut line was marked on the core as a guide for sawing of half-core samples for assay. The cut line position is marked by fitting the ends of the core together, to align them as they came out of the hole, and using a ruler to draw a line down the core axis with a red wax pencil. This mark-up is done after the trays are photographed. Cut line positions are selected by the logging geologist to produce two halves with equal proportions of mineralization. Typically this is done by marking the cut line down the long axis of the ellipses described by the intersection of the veins with the core circumference. Each tray is digitally photographed before core cutting and sampling.

##### Core Logging

Before cutting and sampling the core, the following tables of data are recorded on paper and then entered into the Almaden drillhole database system:

##### Geotechnical Logging

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1. Core box record sheet: Beginning and end from/to intervals for each core box.
2. For each core run (from and to) a record of the core size, metres of core recovered for the interval, RQD (the total length of pieces of core in the interval that are twice the width of the core divided by the length of the interval, times 100) and hardness (on a scale from 1 to 5, from softest to hardest).
3. A drilling daily control sheet showing the progress of the rig for each shift.

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### Geological Logging

1. Geology Log: Intervals selected by the geologist recording a detailed description of the lithology, texture, alteration, mineral assemblage and intensity and level of oxidation/weathering. Structural measurements (i.e. the angle of structures to the core axis) are also recorded. The cover sheet includes details such as surveyed collar co-ordinates, downhole survey data, core size depths, drilling dates and sample number series. A graphic log column with a sketch of the geology is also included.

2. Veining and Mineralization: (Intervals on this form are the same as the sample intervals). Estimates of the percent veining and the percentage of different minerals represented in either vein, breccia or disseminated form, i.e. quartz, carbonates, pyrite etc. (Sometimes completed after sampling).

3. Sample Sheet: A record of the sample intervals, sample numbers and duplicate, blank and analytical standard numbers as well as magnetic susceptibility measurements taken on each sample (using a handheld magnetic susceptibility metre pushed against the core).

4. Hole Summary: An abbreviated hole log that summarizes the important features of a drill hole. A summary drill hole trace giving the geologist the opportunity to summarize the hole and sketch in structural orientations in a form easily transferred to sections. All logs are saved on the server along with the core photos and other data from each hole.

### Sample Interval Selection

All strongly altered or mineralized intervals of core were sampled. Sampling always began at least 5 samples above the start of mineralization. Sample intervals were selected using the following criteria.

- Maximum sample length of 2 m in unmineralized lithologies
- Maximum sample length of 1 m in mineralized lithologies
- Minimum sample length of 50 cm. Geological changes in the core such as major mineralization/alteration intensity and lithology changes were used as sample breaks.
- Core size changes and any zones of core loss were used as sample breaks.
- Large discrete veins that might possibly be modeled or mined as separate structures were sampled separately.

The begin/end marks were placed so that the entire vein ended up in the sample(s) and the vein is not smeared into samples on either side.

### Sampling Procedure

All samples were originally cut in half using custom-made, gasoline engine-powered diamond core saws. All were recently changed to electric powered saws. Each saw has sliding trays and customized "core cradles" sized for each core diameter in order to ensure a straight cut down the cut line and to minimize the loss of friable core during cutting. Areas of very soft rock (e.g. fault gouge), are cut with a machete, using the side of the core channel to ensure a straight cut. Areas of very broken core (pieces <1 cm) were sampled using spoons. The following standard sampling procedures were employed:

The right hand side of the core (looking down the hole) was always sampled. After cutting, half the core was placed in a new plastic sample bag and half was placed back in the core box. Between each sample, the core saw and sampling table areas were washed to ensure no contamination between samples. Field duplicate, blank and analytical standards were added into the sample sequence as they were being cut. After cutting of samples containing visible gold, a piece of abrasive quartz sandstone was cut to clean the diamond blade. This was done to prevent contamination of the following sample with gold that may have become smeared onto the blade.

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Sample numbers were written on the outside of the sample bags twice and the tag from the sample book was placed inside the bag with the half core. The bags were sealed using single-use plastic cable ties.

Sample numbers on the bags were checked against the numbers on the core box and the sample book.

The core cutting area is within the core logging shed and the logging geologists regularly checked the precision of the core cutting and sampling. The sealed plastic sample bags were placed in large plastic twine (rice) sacks (usually between 8 and 10 samples per sack) and sealed using single-use plastic cable ties. The sacks were weighed and the sack number, sample numbers, sack weight and date written on the outside of the sacks.

#### Company's Principal Properties

The Company has two principal property interests, both in Mexico: (1) the Tuligtic prospect (100% interest) which includes the Ixtaca zone, and (2) the El Cobre copper-gold prospect (100% interest).

The Company does not deem its other exploration projects to be material properties. The Company plans to conduct preliminary exploration on the projects however there are no current plans to conduct advanced exploration on these projects.

#### PRINCIPAL PROPERTIES INTERESTS

##### The Tuligtic Prospect – Mexico

##### Location and Access

The Ixtaca deposit, the epithermal gold-silver target within the Tuligtic Property, is located 8 km northwest of the town of San Francisco Ixtacamaxtitlán, the county seat of the municipality of Ixtacamaxtitlán, Puebla State. The project is accessible by driving 40 km east along Highway 119 from Apizaco, an industrial centre located approximately 50 km north of Puebla City by two-lane Highway, and then north approximately 2 km along a gravel road to the town of Santa Maria. The trip from Apizaco to site can be driven in approximately 1.5 hours. There is also access to the Property using gravel roads from the northeast via Tezhuitan and Cuyoaco, from the south via Libres and from the northwest via Chignahuapan. The Xicohtencatl Industrial complex lies 30 km southwest by paved road from the Tuligtic Project, and houses agricultural, chemical, biomedical and industrial manufacturing facilities and is serviced by rail. Puebla, the fourth largest city in Mexico has a population in excess of 4 million people, and includes one of the largest Volkswagen automotive plants outside Germany.

The Topography on the Tuligtic Project is generally moderate to steep hills with incised stream drainages. Elevation ranges from 2,300 metres (m) above sea level in the south to 2,800 m in the north. Vegetation is dominantly cactus and pines and the general area is also somewhat cultivated with subsistence vegetables, bean and corn crops. The Ixtaca Zone exploration area has been previously cleared and logged. The region has a temperate climate with average temperatures ranging from 19°C in June to 10°C in December. The area experiences about 600 mm of precipitation annually with the majority falling during the rainy season, between June and September. Exploration can be conducted year round within the Property. Electricity is available on the Property as the national electricity grid services nearby towns such as Santa Maria and Zacatepec. Water for exploration is available from year-round natural springs located at higher elevations above and upstream of the Ixtaca deposit. The surface rights locally are privately owned and where Almaden is exploring the Company has negotiated surface land use agreements with surface rights landowners.



### Claims and Title

The Tuligtic property consists of two claims held 100% by Minera Gorrion S.A. de C.V., a subsidiary of Almaden Minerals Ltd. through the holding company, Puebla Holdings Inc. The claims, tabularized below, cover an area of over 14,000 hectares and were staked. Almaden acquired the Cerro Grande claims of the Tuligtic Project in 2001 following the identification of surficial clay deposits that were interpreted to represent high-level epithermal alteration. Official title documents have been issued for both claims, the details of which are summarized below.

Claim Name	Claim Number	Valid Until Date	Area (hectares)	Location
Cerro Grande	219469	March 5, 2059	11,201.55	Tetela de Ocampo Ixtacamaxtitlan Aquixtla, Pue.
Cerro Grande 2	233434	February 23, 2059	3,028	Zautla, Pue.
Total			14,229.55	

### Geological Setting of the Tuligtic Project and Ixtaca Zone

Within the Tuligtic Project, argillaceous limestone of the Late Jurassic to Early Cretaceous Upper Tamaulipas formation is underlain by transitional calcareous clastic rocks including siltstone, grainstone, mudstone, and calcareous shale. During the Laramide orogeny the carbonate package was intensely deformed into a series of thrust-related east verging anticlines. Calcareous shale units appear to occupy the cores of the anticlines while the thick bedded limestone/mudstone units occupy the cores of major synclines at the Ixtaca Zone. These carbonate basement units are crosscut by intensely altered intermediate composition dykes in the Tertiary. The deformed Mesozoic sedimentary sequence is discordantly overlain by epithermal altered Cenozoic bedded crystal tuff of the upper Coyoltepec subunit. The Coyoltepec volcanics are locally oxidised and weathered near surface and along structures.

Two styles of alteration and mineralization have been identified in the area: (1) copper-molybdenum porphyry style alteration and mineralization hosted by diorite and quartz-diorite intrusions; (2) silver-gold low-sulphidation epithermal quartz-bladed calcite veins hosted primarily by carbonate rocks and spatially associated with overlying volcanic hosted texturally destructive clay alteration and replacement silicification.

Outcropping porphyry-style alteration and mineralization is observed in the bottoms of several drainages where the altered intrusive complex is exposed in erosional windows beneath post mineral unconsolidated ash deposits. Multiple late and post mineral intrusive phases have been identified crossing an early intensely altered and quartz-veined medium-grained feldspar phyric diorite named the Principal Porphyry. Other intrusive types include late and post mineral mafic dykes and an inter-mineral feldspar-quartz phyric diorite. Late mineral mafic dykes are fine grained and altered to chlorite with accessory pyrite. Calc-silicate (garnet-clinopyroxene) altered limestone occurs in proximity to the intrusive contacts and is crosscut by late quartz-pyrite veins. Early biotite alteration of the principal porphyry consists of biotite-orthoclase flooding of the groundmass. Quartz veins associated with early alteration have irregular boundaries and are interpreted to be representative of A-style porphyry veins. These are followed by molybdenite veins which are associated with the same wall rock alteration. Chalcopyrite appears late in the early alteration sequence. Late alteration is characterized by intense zones of muscovite-illite-pyrite overprinting earlier quartz-K-feldspar-pyrite  $\pm$  chalcopyrite veining and replacing earlier hydrothermal orthoclase and biotite. Stockwork quartz-pyrite crosscuts the A-style veins and is associated with muscovite-illite alteration of biotite. The quartz-sericite alteration can be texturally destructive resulting in white friable quartz veined and pyrite rich rock. Pyrite is observed replacing chalcopyrite and in some instances chalcopyrite remains only as inclusions within late stage pyrite grains.



Epithermal mineralization on the Tuligtic property is considered to have no genetic relationship to the porphyry alteration and mineralization described above. The epithermal system is well preserved and there is evidence of a paleosurface as steam heated kaolinite and replacement silica alteration occur at higher elevations where the upper part of the Coyoltepec pyroclastic deposit is preserved. The veining of Ixtaca epithermal system displays characteristics representative of intermediate and low sulphidation deposits. These include typical ore and gangue mineralogy (electrum, sphalerite, galena, adularia, carbonates), mineralization dominantly in open space veins (colloform banding, cavity filling). Mineralized hydrothermal breccias showing multiphase development are commonly encountered within the main veins. Hydrothermal silicic/carbonate breccia zones occur within the limestone and dip steeply. These breccias are dominantly controlled by the main faults.

The Upper Tamaulipas formation, the dykes that crosscut it and the upper Coyoltepec volcanic subunit are the main host rocks to the epithermal vein system at Ixtaca. In the Main and Ixtaca North zones veining strikes dominantly ENE-WNW (060 degrees) parallel to a major dyke trend and at a very high angle to the N to NNW bedding and fold structures within the limestones. The veins of the Chemalaco Zone are hosted by the shaley carbonate units and strike to the NNW, dipping to the SSW. In the footwall to Chemalaco Zone a parallel dyke has been identified which is altered and mineralized. The Chemalaco Zone and the dyke are interpreted to strike parallel to bedding and to core an antiform comprised of calcareous shale.

Studies of mineral assemblages in hand specimen, transmitted and reflected light microscopy and SEM analyses were carried out in order to construct a paragenetic sequence of mineral formation. This work revealed that veining occurred in three main stages. The first stage is barren calcite veining. This is followed by buff brown and pink colloform carbonate and silicate veins containing abundant silver minerals and lower gold. The third stage of veining contains both gold and silver mineralization. The dominant gold-bearing mineral is electrum, with varying Au:Ag ratios. The majority of grains contain 40-60 wt (weight) % gold but a few have down to 20 wt% (Staffurth, 2012). Gold content occasionally varies within electrum grains, and some larger grains seem to be composed of aggregates of several smaller grains of differing composition (Staffurth, 2012). Electrum often appears to have been deposited with late galena-clausthalite both of which are found as inclusions or in fractures in pyrite. It is also closely associated with silver minerals as well as sphalerite and alabandite. Gold is also present in uytenbogaardtite (Ag<sub>3</sub>AuS<sub>2</sub>). This mineral is associated with electrum, chalcopyrite, galena, alabandite, silver minerals and quartz in stage three mineralization. Apart from electrum, the dominant silver bearing minerals are polybasite (-pearceite) and argentian tetrahedrite plus minor acanthite-naumannite, pyrargyrite and stephanite. They are associated with sulphides or are isolated in gangue minerals.

The vein-related mineralization at Ixtaca does not have hard geologic boundaries. The mineralized zones are essentially vein zones, the outer boundaries of which are grade boundaries associated with decreased vein density.

#### History of Past Work

To the Company's knowledge no modern exploration was carried out on the project prior to Almaden's acquisition of the property area by staking in 2001. Evidence of historic mining of clay (kaolinite) deposits from surface is evident throughout the property area. Almaden acquired the Cerro Grande claims of the Tuligtic Project in 2001 following the identification of surficial clay deposits that were interpreted to represent high-level epithermal alteration. Subsequent geologic mapping, rock, stream silt, soil sampling and induced polarization (IP) geophysical surveys identified porphyry copper and epithermal gold targets within an approximately 5 x 5 km area of intensely altered rock.

In 2006, the Tuligtic project was optioned to Pinnacle Mines Ltd. In 2007 this option agreement was terminated. In 2009 the property was optioned to Antofagasta Minerals S.A. under terms whereby it could earn a 75% interest in the property. In 2009 and 2010 Antofagasta Minerals S.A., under Almaden operation, conducted a geophysical and exploration drilling program on the copper porphyry area of the project. The program consisted of three lines of IP geophysics and 2,522 meters of diamond drilling in six holes. The IP chargeability results, along with that of previous programs carried out by Almaden, defined a 2 by 2.5 kilometer chargeability high the limits of which are currently only defined to the west and south. The drilling intersected skarn and porphyry copper-molybdenum mineralization in an intrusive complex. Four of the six drill holes were oriented within thirty degrees of north south and located within a 200 by 300 meter area roughly in the central portion of the IP chargeability anomaly. These holes were selected based on intensely altered and quartz-veined porphyry exposed in the drainages in the central portion of the chargeability anomaly. The drilling program encountered sub economic porphyry mineralisation. The mineralized intersections, despite being largely in skarn and uneconomic, are considered by the Company to be encouraging for the greater porphyry potential of the system. Antofagasta Minerals S.A. terminated its option on the project in March 2010.



In July 2010 Almaden initiated a diamond drilling program on the gold-silver epithermal vein target area of the project located roughly 1 kilometers to the south of the porphyry prospect on the project. The first hole in this program (results announced in August, 2010) intersected a zone of banded carbonate-quartz epithermal veining with gold and silver values. This hole constitutes the discovery of the Ixtaca Zone of veining. The entire hole cut through a vein zone of varying intensity of veining and intersected 302.41m of 1.01 g/t Au & 48 g/t Ag. Within this broad zone of veining several higher grade veins were intersected including 44.35 metres of 2.77 g/t Au and 117.7 g/t Ag. Immediately after this discovery the Company initiated a follow-up drill program. Between 2010 and 2013, Almaden's exploration at the Ixtaca Zone of the Tuligtic Property included geologic mapping and prospecting, alteration mineralogic characterisation, rock and soil geochemical sampling, ground magnetics, IP and resistivity, Controlled Source Audio-frequency Magnetotelluric (CSAMT), and Controlled Source Induced Polarization (CSIP) geophysical surveys resulting in the identification of several anomalous zones. Since 2010, a total of 423 exploration diamond drill holes have been drilled at the Tuligtic Gold-Silver Project, totalling 137,438 m.

#### Present Condition of Project and 2013 Exploration Program

##### Mineral Resources

On January 22, 2014, the Company announced the results of an updated National Instrument (NI) 43-101 compliant Mineral Resource Estimate on the Ixtaca Zone. This resource estimate updated the previous estimate released on January 31, 2013. The 2014 report is authored by Kris Raffle, P.Geo. of APEX Geoscience Ltd., and Gary Giroux, M.A.Sc., P.Eng. of Giroux Consultants Ltd., both of whom act as independent consultants to the Company, are Qualified Persons as defined by NI 43-101. A copy of the Technical Report was filed on EDGAR under Form 6-K by the Company on March 7, 2014.

##### Cautionary Note to U.S. Investors concerning estimates of Measured and Indicated Resources

This section uses the terms "measured resources" and "indicated resources". We advise U.S. investors that while these terms are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

##### Cautionary Note to U.S. Investors concerning estimates of Inferred Resources

This section uses the term "inferred resources". We advise U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. "Inferred resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

The Ixtaca Zone is an epithermal gold (Au) and silver (Ag) vein deposit hosted in limestone and volcanic rocks with roughly equal values per tonne of each metal. The Mineral Resource is presented in gold equivalent (AuEq) ounces and cut-offs based on price ratios, as the preliminary metallurgical test work previously reported shows the potential for roughly equivalent high recoveries for both gold and silver using standard gravity and flotation recovery techniques. The mineral resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards on mineral resources and reserves, definitions, and guidelines prepared by the CIM standing committee on reserve definitions and adopted by the CIM council.

Under a base case of 0.5 grams per tonne (g/t) gold equivalent (AuEq) cutoff, the measured resource is 1,351,000 AuEq ounces (599,000 Au ounces, 38,600,000 Ag ounces) comprised of 30.44 million tonnes grading at 1.38 g/t AuEq (0.61 g/t Au and 39.44 g/t Ag). The Indicated Resource of 2,182,000 AuEq ounces (1,049,000 Au ounces, 58,140,000 Ag ounces) comprised of 62.61 million tonnes grading at 1.08 g/t AuEq (0.52 g/t Au and 28.88 g/t Ag). The Inferred Resource of 717,000 AuEq ounces (362,000 Au ounces, 18,240,000 Ag ounces) comprised of 22.70 million tonnes grading at 0.98 g/t AuEq (0.50 g/t Au and 24.99 g/t Ag). The Total Mineral Resource estimate (measured, indicated and inferred) based on various cut-off grades is:

## MEASURED RESOURCE

AuEqCut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off			Contained Metal		
		Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (ozs)	Ag (ozs)	AuEq (ozs)
0.3	44,590,000	0.48	30.27	1.07	682,000	43,400,000	1,528,000
0.5	30,440,000	0.61	39.44	1.38	599,000	38,600,000	1,351,000
0.7	22,320,000	0.73	48.00	1.67	525,000	34,450,000	1,196,000
1.0	15,620,000	0.88	58.66	2.03	444,000	29,460,000	1,018,000
2.0	6,000,000	1.33	86.51	3.01	256,000	16,690,000	581,000

## INDICATED RESOURCE

AuEqCut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off			Contained Metal		
		Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (ozs)	Ag (ozs)	AuEq (ozs)
0.3	109,150,000	0.38	20.76	0.79	1,344,000	72,850,000	2,762,000
0.5	62,610,000	0.52	28.88	1.08	1,049,000	58,140,000	2,182,000
0.7	39,520,000	0.65	37.09	1.37	828,000	47,130,000	1,746,000
1.0	23,850,000	0.81	47.06	1.73	624,000	36,090,000	1,327,000
2.0	5,910,000	1.39	72.81	2.81	265,000	13,820,000	534,000

## INFERRED RESOURCE

AuEqCut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off			Contained Metal		
		Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (ozs)	Ag (ozs)	AuEq (ozs)
0.3	43,410,000	0.36	17.52	0.70	498,000	24,450,000	974,000
0.5	22,700,000	0.50	24.99	0.98	362,000	18,240,000	717,000
0.7	13,630,000	0.63	31.56	1.25	277,000	13,830,000	546,000
1.0	7,700,000	0.79	39.81	1.57	197,000	9,860,000	389,000
2.0	1,200,000	1.18	73.69	2.61	45,000	2,840,000	101,000

The data available for the resource estimation consisted of 423 drill holes assayed for gold and silver. Calculations were based on three year trailing average prices of \$1540/oz gold and \$30/oz silver. The estimate was constrained by three dimensional solids representing different lithologic and mineralized domains. Of the total drill holes 400 intersected the mineralized solids and were used to make the resource estimate. Capping was completed to reduce the effect of outliers within each domain. Uniform down hole 3 meter (m) composites were produced for each domain and used to produce semi-variograms for each variable. Grades were interpolated into blocks 10 x 10 x 5 m in dimension by Ordinary kriging. Specific gravities were determined for each domain from drill core. Estimated blocks were classified as either Measured, Indicated or Inferred based on drill hole density and grade continuity.

## Metallurgy

Metallurgical testing was performed by Blue Coast Research Ltd. in Parkesville, British Columbia between September 2012 and January 2013. Test work commenced with the treatment of a range of composite samples, comprising half drillcore intersections from each of the main geologic domains: dyke, limestone, limestone/dyke high grade (HG), black shale (Northeast Extension Zone) and volcanic tuff material. Each composite was made up of five sub composites, each of which was taken from a separate drillhole, representing a different part of the respective geologic

domain. Grades of composites received for testing are:

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Zone	Au (g/t)	Ag (g/t)
Dyke	0.73	45.6
Limestone	0.76	4.9.25
Limestone/Dyke	0.76	123.5
HG		
Black Shale	0.93	46.4
Tuff	0.8	12.95

Metallurgical testwork comprising gravity-recoverable gold (GRG) testwork, leaching of the gravity tailings, as well as stage and bulk flotation tests on each of the 5 zone samples. Combinations of gravity, leaching and flotation indicate excellent potential for gold and silver recovery from the resource. Individual metallurgical results for the zones tested are shown in the following table:

Zone	Gravity Only Recovery		Flotation Only Recovery	
	Au (Wt%)	Ag (Wt%)	Au (Wt%)	Ag (Wt%)
Dyke	48.4	N/A	94.4	87.0
Limestone	58.7	N/A	85.7	79.9
Limestone/Dyke HG	58.7	N/A	92.0	88.8
Black Shale	54.9	N/A	93.2	83.5
Tuff (Volcanic)	15.1	N/A	52.3	63.2

Initial process results indicate that treatment of Ixtaca material by a combination of grinding to a p80 of 100-150µm plus gravity recovery on the cyclone underflow, with recovery of gold and silver by means of bulk flotation, followed by intensive leaching of the combined gravity and flotation concentrates is a viable process route for the Ixtaca resource. A summary of metallurgical parameters for the main zones tested for this process route is presented in the following table:

Zone	Overall Recovery	
	Au Wt%	Ag Wt%
Dyke	96.8	85.3
Limestone	88.7	78.3
Limestone/Dyke	94.9	87.0
HG		
Black Shale	95.9	81.8
Tuff	54.1	61.9

#### QA/QC

The analyses used in the preparation of the resource statement were carried out at ALS Chemex Laboratories of North Vancouver using industry standard analytical techniques. For gold, samples are first analysed by fire assay and atomic absorption spectroscopy (“AAS”). Samples that return values greater than 10 g/t gold using this technique are then re-analysed by fire assay but with a gravimetric finish. Silver is first analysed by Inductively Coupled Plasma - Atomic Emission Spectroscopy (“ICP-AES”). Samples that return values greater than 100 g/t silver by ICP-AES are then re-analysed by HF-HNO<sub>3</sub>-HClO<sub>4</sub> digestion with HCL leach and ICP-AES finish. Of these samples those that return silver values greater than 1,500 g/t are further analysed by fire assay with a gravimetric finish. Blanks, field duplicates and certified standards were inserted into the sample stream as part of Almaden’s quality assurance and



control program which complies with National Instrument 43-101 requirements. In addition to in-house QAQC measures employed by Almaden, Kris Raffle, P.Geo. completed an independent review of Almaden's drill hole and QAQC databases. The review included an audit of approximately 10% of drill core analyses used in the mineral resource estimate. A total of 10,885 database gold and silver analyses were verified against original analytical certificates. Similarly, 10% of the original drill collar coordinates and downhole orientation survey files were checked against those recorded in the database; and select drill sites were verified in the field by Kris Raffle, P.Geo. The QAQC audit included independent review of blank, field duplicate and certified standard analyses. All QAQC values falling outside the limits of expected variability were flagged and followed through to ensure completion of appropriate reanalyses. No discrepancies were noted within the drill hole database, and all QAQC failures were dealt with and handled with appropriate reanalyses.

#### Upcoming / Outlook

The updated resource estimate will form the basis of a Preliminary Economic Assessment (“PEA”), and the Company is planning to continue with engineering studies in preparation of completing a proposed pre-feasibility study later in the year. Drilling is also planned on other high priority exploration targets on the property that have the potential for vein mineralization similar to that of the Ixtaca zone. This program will be funded and managed by the Company.

#### The El Cobre Prospect - Mexico

##### Location and Access

The property is located in the state of Veracruz roughly 75 kilometers northwest of the City of Veracruz. The property is accessible by road along the Pan American Highway (Federal Highway 180) north from Veracruz. Various roads provide access to the centre of the claim block. Logistically, it is extremely well situated with the Pan-American Highway located 3 kilometers to the east of the property and ready access to power (Laguna Verde Nuclear Power Plant located 15 kilometers north).

The topography on the property is rugged with elevations ranging from 10 m to 400 m. Trees and scrub growth cover much of the hillsides, however, various trails and dirt roads provide good access to many parts of the property.

A warehouse and core facility has been established in the town of Tinajitas providing a base with good access to all parts of the property.



### Claims and Title

Almaden Minerals Ltd., through its wholly owned Mexican subsidiary Minera Gavilan S.A. de C.V., owns a 100% interest in the El Cobre project subject to a 0.5% NSR payable to a third party, 50% of which may be purchased for \$US3.0 MM. The below table shows the title numbers and expiry dates for the list of current titled claims.

Claim Name	Title Number	File Number	Area in Hectares	Expiry Date
CABALLO BLANCO III	218457	5/1/0667	1145.00	04/11/2052
CABALLO BLANCO V	218955	5/1/0674	450.00	27/01/2053
CABALLO BLANCO VIII	223360	108/72	965.81	02/12/2054
(GPO) REYNA NEGRA	221152	5/1/716	65.97	02/12/2053
FRACCIÓN 2				
RED. REYNA NEGRA	224416	05/02/2023	25.15	02/12/2053
FRACCIÓN 4				
C. B. X-b	237405	108/120	2653.56	08/12/2060
C. B. X-a	237440	108/119	1721.00	15/12/2060

### Geological Setting of the El Cobre Project

Central Mexico is dominated by an east-west belt of Miocene to sub-recent calc-alkaline andesitic to dacitic volcanic rocks and active volcanoes known as the Trans Mexican Volcanic Belt (TMVB). At the eastern end of the TMVB, where the El Cobre Property is located, Quaternary basalts that are associated with the Eastern Alkalic Province cover Oligocene andesitic to basaltic volcanic rocks of the TMVB. The property itself is largely underlain by a sequence of andesitic to dacitic lithic tuffs, crystal tuffs and volcanic breccias. These volcanic centers are bound by and possibly in fault contact with basalt flows and related clastic rocks. Large arcuate faults are present and are interpreted to represent normal faults associated with caldera development. Fine-grained, magnetic monzonite and diorite intrusions and dykes have been identified in several locations on the property and these are interpreted to be the causative intrusions for the porphyry style mineralization identified on the project.

### History of Past Work

To the Company's knowledge, except for some prospecting and geological reconnaissance work on and around the Caballo Blanco III concession, no modern exploration was carried out on the El Cobre project area prior to Almaden's acquisition of the property.

Early in 1997, Almaden Minerals Ltd., through its wholly owned subsidiary Minera Gavilan S.A. de C.V., signed an agreement whereby Almaden had the option to acquire a 100% interest in the claims subject only to the royalty mentioned above. This option has been exercised.

From 1995 to 1998, Almaden Minerals Ltd completed exploration work mainly concentrated on porphyry Cu-Au and Au-Ag vein targets in the El Cobre area. Surface work included extensive grid based soil sampling and ground induced polarization (IP) and magnetic geophysics. This work also included 17 RC drill holes designed to test soil geochemical and IP geophysical anomalies spatially associated with mineralized float and outcrop. The 17-hole reverse circulation drill program totalled 2,390 meters and was completed in the spring of 1998. Several zones of gold and silver mineralized quartz-barite veins were intersected including the zone in hole CB-4 which cut 40 meters of 1.4g/t gold and 9.0 g/t silver. Shallow drill holes into an intrusive returned 107 meters of 0.25g/t gold and 0.18% copper in one hole and 40 meters averaging 0.39g/t gold and 0.15% copper in another. Drill testing of a third zone with two holes returned 20 meters of 0.45g/t gold and 0.11% copper and 15 meters of 0.23g/t gold and 0.16% copper. Based on this work, it was interpreted that these holes tested the top of a porphyry system.

In 2001, Noranda optioned the Caballo Blanco property from Almaden and drilled 7 very widely spaced diamond drill holes totaling 1,641 meters. No significant copper mineralization was intersected and despite significant alteration and anomalous gold mineralization in several holes, Noranda terminated its option in the fall of 2002.

In 2002 the project was optioned to Comaplex Minerals Corp. under terms whereby Comaplex could earn a 60% interest in the project which Comaplex exercised in 2006. In 2004 Comaplex drilled two diamond drill holes on the El Cobre project for a total of 515.8 meters. This drilling confirmed the presence of significant porphyry style copper-gold mineralization. DDH 04CB1 drilled in an area that had shown significant results in the past returned 290 meters that averaged 0.39 g/t gold and 0.16% copper. The drill hole is associated with a prominent magnetic feature and a large gold soil anomaly. In 2007 Almaden purchased Comaplex Mineral's 60% interest in the project in its entirety for a cash payment of US\$1.25 Million.

In 2007 prospecting conducted by Almaden resulted in the discovery of a new zone of porphyry mineralization named Pedrero in the north part of the project.

Also in 2007 Almaden optioned the project to Canadian Gold Hunter Corp. under terms whereby Canadian Gold Hunter could earn a 70% interest in the project from Almaden. In 2008 Canadian Gold Hunter drilled 10 diamond drill holes on the project for a total of 2,837.14 meters. At Pedrero drilling confirmed the presence of porphyry mineralization. The final 41.15 meters of 08CBCN-019 graded 0.272% copper and 0.415 g/t gold before the hole was lost in a fault. Significant sections with strong quartz stockwork were encountered in hole 09CBCN-042 and the final 137 meters returned 0.105% copper and 0.100 g/t gold.

In 2010 NGEX Resources Inc. (successor to Canadian Gold Hunter Corp.) sold its option to acquire a 70% interest in the project to Goldgroup Mining at which point a 60 (Almaden) / 40 (Goldgroup Mining) joint venture was initiated. In 2011 Almaden acquired a 100% interest in the project as part of the consideration of the sale of Almaden's interest in the adjacent Caballo Blanco project to Goldgroup Mining.

From late November 2011 to January 2012, a TITAN 24 deep induced polarization surface geophysical program was conducted on the property.

#### Present Condition of Project and 2013 Exploration Program

The property is without known reserves and the 2013 exploration program was exploratory in nature. Early in 2013, the Company drilled two holes on the property. This new drilling was conducted on only one of the four porphyry targets identified on the project. Results from these holes are considered by management to continue to show the potential of the property to host an economic copper-porphyry deposit. Results are detailed in a news release dated May 6, 2013. Due to market conditions, the Company suspended drilling at El Cobre to focus on the Ixtaca zone of its Tuligtic project.

#### NON-PRINCIPAL PROPERTIES INTERESTS

The Company has assembled a portfolio of mineral exploration projects, including the principal properties Tuligtic and El Cobre, through its ongoing grass roots exploration efforts. While the properties are largely at early stages of exploration they represent opportunities for the discovery of gold, silver and copper deposits. Almaden's business model is to find and acquire mineral properties and develop them by seeking partnerships with third party exploration and development companies and retaining a carried interest.

The Tuligtic is considered a principal project because the work completed has resulted in a National Instrument 43-101 compliant resource estimate. The El Cobre project is also considered a principal property because past drilling has confirmed the presence of significant mineralization that is widespread and demonstrates a reasonable chance of discovering a larger copper-gold porphyry deposit. As yet, no resources have been defined on the El Cobre project. Non principal projects have not yet had drilling results that indicate the presence of significant mineralization. Nevertheless the non-material projects are deemed worthy of preliminary exploration and drilling. Below is a list of non-principal properties and their current status with respect to agreements with others. In 2013, Almaden carried out

geochemical and geophysical exploration on the Nueva Espana project. While most work in 2014 will be focused on the Tuligtic property, Almaden hopes to advance non-principal projects with preliminary exploration programs as staff and budget constraints permit. The Company may form new agreements to explore these projects and, if negative exploration results are received, drop projects on this list.

Non-Principal Properties	Location	Interest
ATW	Canada	Joint Venture, 66.2% interest
Elk	Canada	2% NSR Royalty
Dill	Canada	2% NSR Royalty
Logan	Canada	Joint Venture, 40% interest
Merit	Canada	100% owned
Munro Lake	Canada	100% owned
Nicoamen River	Canada	100% owned
Ponderosa	Canada	100% owned
Scoonka Creek	Canada	Joint Venture, 34.14% interest
Yukon/BC projects (6) sold to Tarsis Resources Ltd.	Canada	2% NSR Royalty
Monte Cristo	USA	100% owned
Paradise Valley	USA	100% owned
Veta	USA	100% owned
Willow	USA	100% owned
Nevada projects (2) sold to Tarsis Resources Ltd.	USA	2% NSR Royalty
Bufo	Mexico	2% NSR Royalty
Caballo Blanco	Mexico	1.5% NSR Royalty
Caldera	Mexico	100% owned
El Chato	Mexico	100% owned
El Encuentro	Mexico	100% owned
Fuego	Mexico	2% NSR Royalty
Lajas	Mexico	100% owned
San Carlos	Mexico	100% owned
San Pedro	Mexico	2% NSR Royalty
Tanquecillos	Mexico	100% owned
Tropico	Mexico	0.8% NSR Royalty
Viky	Mexico	100% owned
Mexico projects (5) sold to Tarsis Resources Ltd.	Mexico	2% NSR Royalty

## Item 5. Operating and Financial Review and Prospects

### Operating Results

The following discussion and analysis of the results of operations and the Company's financial position should be read in conjunction with the consolidated financial statements and related notes for the years ended December 31, 2013, 2012 and 2011 appearing under Item 17 – Financial Statements and listed under Item 19 – Exhibits.

The Company's consolidated financial statements are stated in Canadian Dollars and have been prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

The Company is in the business of acquiring and exploring mineral properties and prospects in Canada, the U.S. and Mexico with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide, in whole or in part, funding for development and exploitation. At that stage, the Company's operations would, to some extent, be dependent on the world market prices of any minerals mined. The Company does not have producing properties and operations on its properties and prospects are exploratory searches



for mineable deposits.

Fiscal 2013 compared to Fiscal 2012

For the year ended December 31, 2013 (“Fiscal 2013”), the Company recorded a net loss of \$6,356,609 or \$0.10 per share compared to a net loss of \$10,238,377 or \$0.17 per share for the year ended December 31, 2012 (“Fiscal 2012”). The decrease of \$3,881,768 in net loss was primarily the result of a decrease in impairment of marketable securities of \$2,582,076, share-based payments of \$1,334,300 and impairment of exploration and evaluation assets of \$897,818 offset by an increase in loss on exploration and evaluation assets of \$763,506 and investment in associate of \$905,852.

The Company has no revenue from mining operations as it only conducts exploration and development work. The revenue of \$220,432 during Fiscal 2013 consisted of interest income and other income from office rental, and a royalty payment from Gold Mountain from the Elk property compared to total revenue of \$299,167 during Fiscal 2012 consisting of interest income and other income from office rental and contract exploration services provided to third parties.

During Fiscal 2013, there was a loss on exploration and evaluation assets of \$716,006 as a result of selling nine properties resulting in a total loss of \$102,942, of the Company paying \$469,045 in the form of cash and shares as part of the consideration payable to obtain a reduction in a royalty with respect to a property interest in Caballo Blanco property, the result of a 2011 royalty agreement that has been subsequently amended pursuant to an Amended Royalty Agreement, and an accrued reversal from a previous years' recovery of exploration costs that resulted in a loss on exploration and evaluation assets of \$144,019. The accrual relates to a Canada Revenue Agency review of Almaden's 2010 and 2011 British Columbia Mining Exploration Tax Credit ("BCMETC") from various grassroots mineral projects in B.C. During Fiscal 2012 there was income on exploration and evaluation assets as a result of the sale of one property and the recovery of exploration costs of \$47,500.

General and administrative expenses were \$2,154,278 for Fiscal 2013 (Fiscal 2012 - \$2,330,965). The primary decrease in general and administrative expenses resulted from lower professional fees from accounting and consulting fees and lower travel and promotion costs. Director's fees totalling \$48,000 were paid during Fiscal 2013 compared to \$39,000 during Fiscal 2012.

General exploration expenses of \$707,542 were incurred in Fiscal 2013 compared to \$969,470 for Fiscal 2012. These expenditures vary according to management decisions on work to be done on any property. Given the current market conditions less exploration work was completed to conserve capital and allow the Company to focus on the Tuliglic project.

Significant non-cash items in Fiscal 2013 compared to Fiscal 2012 included investment in associate, impairment of marketable securities, impairment of exploration and evaluation assets, loss on exploration and evaluation assets, share-based payments and fair-value of contingent share receivable. During Fiscal 2013, the loss on investment in associate of \$818,889 (Fiscal 2012 – income of \$86,963) was the recognition of the equity loss/income in Gold Mountain. . The gain or loss on investment in associate can vary period to period based on the stock price performance of Gold Mountain. Impairment of marketable securities of \$1,274,743 in Fiscal 2013 (Fiscal 2012 - \$3,856,819) relates to significant or prolonged losses of equity securities held by the Company. Impairment of exploration and evaluation assets of \$371,038 in Fiscal 2013 (Fiscal 2012 - \$1,268,856) fluctuate period to period based on management's evaluation of the carrying value of each exploration and evaluation asset held at that time. The loss on exploration and evaluation assets during Fiscal 2013 of \$716,006 (Fiscal 2012 – income of \$47,500) relates to the loss on the sales of nine properties, obtaining a reduction in a royalty and the accrual of a reversal from a previous years' recovery of exploration costs. Share-based payments of \$381,950 in Fiscal 2013 (Fiscal 2012 - \$1,716,250) are recognized on the grant of stock options in any period. The fair-value of contingent share receivable of \$44,700 decreased compared to the same period in 2012 (\$238,200) due to the decline in the fair value of the common shares of Gold Mountain and Goldgroup.

Fiscal 2012 compared to Fiscal 2011

The Company's operations during the year ended December 31, 2012 ("Fiscal 2012") produced a net loss of \$10,238,377 or \$0.17 per share compared to net income of \$7,294,858 or \$0.13 per share for the fiscal year ended December 31, 2011 ("Fiscal 2011"). The net loss in Fiscal 2012 is primarily due to impairment of marketable securities, general and administrative expenses, share-based compensation and impairment of exploration and evaluation assets. The net income in Fiscal 2011 is primarily due to the sale of the Elk and Caballo Blanco properties.

During Fiscal 2012, the income on mineral property options totalled \$47,500. During Fiscal 2011, the income on mineral property options totalled \$15,072,485 from the sales mentioned above and discussed below. Income on mineral property options consists of equity securities and/or cash payments received pursuant to mineral property option agreements and reflect the excess of market value, in the case of the marketable securities, at the time of receipt over the carrying value of the property.

Because the Company is an exploration company, it has no revenue from mining operations. During Fiscal 2012 and 2011, revenue consisted primarily of interest income and other income from office rental and contract exploration services provided to third parties.

General and administrative expenses were \$2,330,965 in Fiscal 2012, an increase from \$2,096,097 in Fiscal 2011. The most significant increases were due to the hiring of a full-time CFO and geologist and corporate sponsorship of a non-profit charitable organization which distributed new wheelchairs to individuals in Puebla, Veracruz and Oaxaca States in Mexico where the Company is currently focusing its exploration programs. The Company also participated in a number of investor conferences such as the New Orleans Investment Conference, the Agora Financial Investment Symposium in Vancouver, the Precious Metals Summit in Colorado, the Prospectors and Developers Association Conference in Toronto and the World Resource Investment Conference in Vancouver. Director's fees totalling \$39,000 were paid during the year ended December 31, 2012 and \$33,000 during the year ended December 31, 2011.

General exploration expenses were \$969,470 in Fiscal 2012, comparable to \$961,992 in Fiscal 2011. These expenditures vary according to management decisions on work to be done on any property.

Significant non-cash items in Fiscal 2012 include impairment of marketable securities, share-based payments and impairment of interest in exploration and evaluation assets. The impairment of marketable securities relates to significant or prolonged losses of equity securities held by the Company. Share-based payments are recognized for stock options granted. Impairments of interests in exploration and evaluation assets fluctuate period to period based on management's evaluation of the carrying value of each mineral property interest held at that time. Significant non-cash items in Fiscal 2011 include income on mineral property options and share-based payments.

## Liquidity and Capital Resources

### Fiscal 2013

At the end of Fiscal 2013, the Company had working capital of \$12,676,166 including cash and cash equivalents of \$11,994,773 compared to working capital of \$19,474,784 including cash and cash equivalents of \$16,487,408 at the end of Fiscal 2012. The decline in working capital of \$6,798,618 is mainly due to capitalized exploration expenses incurred at Ixtaca of \$7,801,914. During Fiscal 2013, the Company closed a non-brokered private placement for gross proceeds of \$5,470,000 to continue the Ixtaca exploration and development program.

In addition, the market value of the Company's inventory of gold bullion (1,597 ounces) at the end of Fiscal 2013 was \$2,005,251 or \$1,730,483 above book value as presented in the financial statements. The Company has no long-term debt.

Management believes that the Company's cash resources are sufficient to meet its working capital and mineral exploration requirements for its next fiscal year. Management has a proven track record to be able to raise money even in a very challenging financial marketplace as evident in the private placement during 2013.

Cash used in operations during Fiscal 2013 was \$1,628,440 (Fiscal 2012 - \$2,723,237) after adjusting for non-cash activities.

Cash used in investing activities during Fiscal 2013 was \$8,199,490 (Fiscal 2012 - \$3,233,514). Significant items include expenditures on mineral property interests of \$8,253,489 (Fiscal 2012 - \$7,407,896) primarily on land acquisition of \$1,001,706 (Fiscal 2012 - \$Nil) and drilling costs on the Tuligtic property of \$6,800,208 (Fiscal 2012 - \$6,318,731).

During Fiscal 2013, the Company received gross proceeds of \$5,470,000 on closing a private placement by the issuance of 4,376,000 units at a price of \$1.25 per unit. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant allows the holder to purchase one common share at a price of \$1.50 per common share until January 17, 2015 and, thereafter, at a price of \$1.80 per common share until July 17, 2016. A finder's fee of \$232,500 in cash and finder's warrants to purchase up to 186,000 common shares at a price of \$1.50 per common share until July 17, 2016 was paid on a portion of the placement. The Company also received \$223,550 (Fiscal 2012 - \$1,260,000) on the exercise of 220,000 (Fiscal 2012 - 600,000) stock options during Fiscal 2013.

Management estimates that the current cash position and expected future cash flows from stock options and warrants and the participation of partner's potential financing will be sufficient for the Company to carry out its anticipated exploration and operating plans for the foreseeable future. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives

#### Fiscal 2012

At the end of Fiscal 2012, the Company had working capital of \$19,474,784 including cash and cash equivalents of \$16,487,408 compared to working capital of \$30,513,403 including cash and cash equivalents of \$21,184,159 at the end of Fiscal 2011. In addition, the market value of the Company's inventory of gold bullion (1,597 ounces) at December 31, 2012 was \$2,666,437 or \$2,391,669 above book value as presented in the financial statements.

Management believes that the Company's cash resources are sufficient to meet its working capital and mineral exploration requirements for the foreseeable future. The Company has no long-term debt.

Cash used in operations in Fiscal 2012 was \$2,723,237 (2011 - \$3,568,646) after adjusting for non-cash activities. Significant changes in non-cash items in the current year are mainly due to impairment on marketable securities. Significant changes in non-cash items in the comparable year include income on mineral property options and share-based payments.

Cash used in investing activities in Fiscal 2012 was \$3,233,514 (2011 - cash from of \$1,402,531). Significant items in the current year include expenditures on mineral property interests of \$7,407,896 (2011 - \$6,197,667). Significant items in the comparable year also include proceeds from mineral properties of \$5,871,380 and the maturing of a short-term investment of \$2,000,000. Significant investments made in mineral property interests include drilling on the Tuligtic property in Mexico (\$6,318,731) and the completion of geophysical surveys undertaken and preparation for drilling on the El Cobre property in Mexico (\$365,102). Significant investments made in mineral property interests in the comparable year include drilling on the Tuligtic property in Mexico (\$4,630,341), geophysical surveys undertaken on the El Cobre property in Mexico (\$609,059), exploration on the ATW project in the Northwest Territories (\$326,446) and the Willow project in Nevada (\$260,575).

During Fiscal 2012, the Company received a total of \$1,260,000 on the exercise of 600,000 stock options. During Fiscal 2011, the Company received a total of \$7,262,442 net of share issue costs on closing a private placement financing of 100,000 common flow-through shares at a price of \$4.00 per share, on the exercise of 2,030,000 stock options and on the exercise of 1,481,499 warrants.

#### Fiscal 2011

At the end of Fiscal 2011, the Company had working capital of \$30,513,403 including cash and cash equivalents of \$21,184,159 compared to working capital of \$29,187,035 including cash and cash equivalents of \$16,087,832 and a short term investment of \$2,000,000 at the end of Fiscal 2010. In addition, the market value of the Company's inventory of gold bullion (1,597 ounces) at December 31, 2011 was \$2,547,173 or \$2,272,405 above book value as presented in the financial statements.

Management believes that the Company's cash resources are sufficient to meet its working capital and mineral exploration requirements for the foreseeable future. The Company has no long-term debt.

Cash used in operations in Fiscal 2011 was \$3,568,646 (2010 - \$1,539,439) after adjusting for non-cash activities. Significant changes in non-cash items in the current period include income on mineral property options and share-based payments. Significant changes in non-cash items in the comparable period include income on mineral

property options, share-based payments and write-down of mineral properties which fluctuate period to period based on management's evaluation of the carrying value of each mineral property interest held at that time.

Cash from investing activities in Fiscal 2011 was \$1,402,531 (2010 – cash used of \$6,993,557). Significant items in the current period include expenditures on mineral property interests of \$6,197,667 (2010 - \$5,478,095), proceeds from mineral properties of \$5,871,380 (2010 - \$15,000) and the maturing of a short-term investment of \$2,000,000 (2010 – purchase of short-term investment of \$2,000,000). Significant investments made in mineral property interests include drilling on the Tuligtic property in Mexico (\$4,630,341), geophysical surveys undertaken on the El Cobre property in Mexico (\$609,059), exploration on the ATW project in the Northwest Territories (\$326,446) and the Willow project in Nevada (260,575). Significant investments made in mineral property interests in the comparable period include camp construction and a drill program on the Elk gold property in BC (\$2,514,617) and the staking of additional claims and drilling on the Tuligtic property in Mexico (\$1,579,083).

During Fiscal 2011, the Company received a total of \$7,262,442 net of share issue costs on closing a private placement financing of 100,000 common flow-through shares at a price of \$4.00 per share, on the exercise of 2,030,000 stock options and on the exercise of 1,481,499 warrants. During Fiscal 2010, the Company received \$11,172,391 net of share issue costs on closing several private placement financings and the exercise of options and warrants and the income tax recovery discussed above. One private placement consisted of 3,000,000 common shares at a price of \$2.50 per share and its over-allotment of 450,000 common shares also at a price of \$2.50 per share, one consisted of 1,003,821 common flow-through shares at a price of \$1.20 per share with 49,997 broker's warrants entitling the brokers to purchase 49,997 common non-flow-through shares until June 29, 2011 issued to brokers in consideration of their services, and one consisted of 350,000 units at a price of \$1.00 per unit. 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 common shares were issued to finders in respect of this placement. And one consisted of 81,200 common flow-through shares at a price of \$3.50 per share. 895,000 stock options and 740,658 warrants were also exercised during the year.

#### Research and Development, Patents and Licenses

The Company conducts no Research and Development activities, nor is it dependent upon any patents or licenses.

#### Trend information

In 2013, gold and silver prices dropped sharply after significant selling on Comex and redemptions from funds holding these metals. The sharply lower metal prices have resulted in large producers selling non-core or high cost assets, suspending or shelving new mine construction, and initiating severe cost control measures. The large write-downs of assets and recent acquisitions by many companies have been well publicized, and have resulted in significant reductions to mineable reserves worldwide. Lower prices also results in miners selectively mining higher grade portions of a deposit, which may effectively sterilize lower grade portions from ever being mined even with higher prices at a later date. Reserves are also declining due to mining operations, yet these depleted reserves are not being replaced because of reduced exploration efforts.

One of the easiest areas to cut costs is by cutting or eliminating exploration and acquisition activity. Many large miners have reduced exploration to cut costs and most junior exploration companies are having difficulty raising exploration capital. What capital is being raised is through equity sales at significantly reduced prices, which results in significant dilution to shareholders. There is uncertainty as to how long this trend will continue, whether competition for resources will decrease or intensify and how any change might affect metal prices. There is uncertainty in currency exchange rates due to economic conditions around the world and how these might affect both costs and profits. Companies at the feasibility study stage or raising capital for production startup are finding that mining costs are increasing. These factors require frequent review of plans and budgets against a backdrop of fewer quality exploration and development projects along with the long term shortage of skilled exploration personnel.



Merger and acquisition activity involving large organizations has slowed, at least in part because there are fewer large companies remaining, there are fewer that are vulnerable to takeover. As mentioned above, write-downs on acquisitions have resulted in more caution by potential merger and acquisition candidates because of difficulties in valuations for assets in relation to often depressed stock market prices. While reduced market capitalizations make acquisitions seem inexpensive in relation to prior valuations, the lower share prices of companies seeking to acquire resources this way means larger dilution to their shareholders as well.

The price of both exploration and production companies focused on precious metals have underperformed when compared to the price of gold. This has been attributed to various reasons such as the rise of funds that invest in precious metals which are capturing much of the investment interest in gold and silver. When the gold price dropped in 2013, there was large disinvestment from such funds and the prices of exploration companies dropped as well. There is no certainty that this will change. Many in the investment and economic communities dispute the likelihood of inflationary or deflationary conditions and the effect of either on precious metal prices. Any rise in interest rates might lower investment demand for gold and silver.

The uncertain times have led to some cash strapped governments to seek or threaten higher tax and royalty policies while others consider lowering them to attract investment. Globalization of trade and markets has been more important to the mineral industry than many other industries, and because of current conditions these concepts are under question by many vested interest groups. At the same time, environmental groups have successfully lobbied for more wilderness areas and parks where exploration and mining activities are prohibited. Native groups are actively pursuing land claims and there is a rise of militant national and religious groups in many parts of the world. Pressure from such groups can lead to increased regulation and this must be monitored closely to recognize a point where it becomes excessive. Even though metal mining does not have the level of output of so called greenhouse gasses as some other industries, and despite the unresolved science of and increasing doubt in the claims for global warming, many governments are pursuing regulations and taxes on emissions that could raise costs. As more and more stakeholders become interested in mining ventures there is an increasing need to maintain cooperation with valid concerned groups, particularly among the local community where the project is located. Some of these issues tend to restrict the areas where mineral exploration and development of new mines can occur. This should make areas permissive to exploration more attractive and a previously discerned need for new, quality exploration projects based on sound geological work continues.

The world may be slow to recover from current economic conditions and a further deterioration of these conditions remains a serious threat. If such deterioration occurs, lower economic activity would probably also lower the demand for base metals but management believes that precious metals will continue to be in demand as a store of value.

#### Off-balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than the lease related to its office premises as disclosed below.

#### Contractual Obligations

The Company is obligated under an operating lease for its office premises with the following aggregate minimum lease payments to the expiration of the lease on January 31, 2016. The Company does have government requirements in work and/or taxes to maintain other claims held. The decision to keep or abandon such claims is not contractual but at the discretion of the Company. All other property option payments on the Company's projects have been assumed by third parties who are earning their interests in the projects. On January 29, 2013, the Company entered into contracts with its Chairman and President for an annual remuneration of \$240,000 and \$265,000 respectively effective January 1, 2013, for two years, renewable for two additional successive terms of 24 months. Table No. 4 lists the total contractual obligations as at December 31, 2013 for each period.

Table No. 4  
Contractual Obligations of the Company

	Payments due by period			
Total	less than 1	1 – 3 years	3 – 5 Years	more than 5

	year				years
Operating lease	\$ 162,700	\$ 75,000	\$ 87,700	-	-
Executive contracts	\$ 2,525,000	\$ 505,000	\$ 1,515,000	\$ 505,000	-

Contractual obligations of the Company in the above table exclude future option payments required to maintain the Company's interest in certain mineral properties.

## Significant Accounting Policies

Management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. On a regular basis, management evaluates its estimates and assumptions. The estimates are based on historical experience, past results, and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form that basis for making judgments about the carrying values of assets, including mineral properties, and liabilities that are not readily apparent from other sources. Actual outcomes may differ from these estimates due to events or circumstances which may be beyond the control of the Company.

### (a) Basis of consolidation

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

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

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

The Company accounts for its interest in the jointly controlled ATW project 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.

### (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 receivable as "loans and receivables".

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

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

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

Financial liabilities

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

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

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

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

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

(e) Inventory

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

(f) Property, plant and equipment

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

Automotive equipment	30%
Furniture and fixtures	20%
Computer hardware and software	30%
Geological library	20%
Field equipment	20%
Leasehold improvements	Over the term of the lease
Drill equipment	20%

(g) Revenue recognition

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

Interest income

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

Other income

Revenue from other income is recognized upon completion of the services for which the measurement of the consideration can be reasonably assured and the ultimate collection is reasonably assured.

(h) Exploration and evaluation

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

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



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

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

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

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

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.

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

(j) Income taxes

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

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

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

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

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

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

(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) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company, in addition to the proportionate amount of reserves originally created at the issuance of the stock options or warrants. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the announcement date of the unit offering and any residual remaining is allocated to common share purchase warrants.

(m) Reclamation and closure cost obligations

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

The Company has \$12,500 of reclamation deposits held with the Ministry of Mines should any other reclamation and closure cost obligations arise from its obligations to undertake site reclamation and remediation in connection with its operating activities in British Columbia and \$20,764 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.

(n) Net (loss) income per share

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

(o) Application of new and revised accounting standards effective January 1, 2013

The Company has evaluated the following new and revised IFRS standards and has determined there to be no material impact on the consolidated financial statements upon adoption:

- 1) IFRS 7 - Financial Instruments: Disclosures
- 2) IFRS 10 - Consolidated Financial Statements
- 3) IFRS 11 - Joint Arrangements
- 4) IFRS 12 - Disclosure of Interests in Other Entities
- 5) IFRS 13 - Fair Value Measurement
- 6) IAS 1 - Presentation of Financial Statements
- 7) IAS 19 - Employee Benefits
- 8) IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine

(p) Future accounting standards

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") but not yet effective as at December 31, 2013. The Company intends to adopt these standards and

interpretations when they become effective. The Company does not expect these standards to have an impact on its consolidated financial statements. Pronouncements that are not applicable to the Company have been excluded from those described below.

The following standards or amendments are effective for annual periods beginning on or after January 1, 2014.

- 1) IFRIC 21 - Levies
- 2) IAS 32 - Financial Instruments: Presentation
- 3) IAS 39 - Financial Instruments: Recognition and Measurement & IFRS 9 – Financial Instruments (mandatory adoption date not yet finalized)

Significant accounting judgments and estimates

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### Critical Judgments

- o The assessment that the Company has significant influence over the investment in Gold Mountain Mining Corporation (“Gold Mountain”) (See Note 7 to the consolidated financial statements) 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.
- o 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

- o the recoverability of amounts receivable which are included in the consolidated statements of financial position;
  - o the carrying value of the marketable securities and the recoverability of the carrying value which are included in the consolidated statements of financial position;
  - o 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 statements of financial position;
  - o the estimated useful lives of property, plant and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of comprehensive loss;
  - o the estimated value of the exploration and development costs which is recorded in the statements of financial position;
  - o the inputs used in accounting for share purchase option expense in the consolidated statements of comprehensive (loss) income;
    - o the provision for income taxes which is included in the consolidation statements of comprehensive (loss) income and composition of deferred income tax assets and liabilities included in the consolidated statements of financial position at December 31, 2013;
  - o the inputs used in determining the various commitments and contingencies accrued in the consolidated statements of financial position;
  - o the assessment of indications of impairment of each exploration and evaluation asset and related determination of the net realizable value and write-down of those assets where applicable;
  - o the estimated fair value of contingent share payments receivable in the event that Gold Mountain achieves some or all of the specified resource and production levels described in Note 8(a) of the consolidated financial statements;
- and

- o the estimated fair value of contingent share payments receivable in the event that Goldgroup Mining Inc. achieves some or all of the specified resource and production levels described in Note 8(b) of the consolidated financial statements.



## Item 6. Directors, Senior Management and Employees

Table No. 5 lists the directors and senior management of the Company. The directors have served in their respective capacities since their election and/or appointment and will serve until the next annual general meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles of the Company. All directors are residents and citizens of Canada.

Table No. 5  
Directors of the Company

Name	Age	Date First Elected or Appointed
James Duane Poliquin	73	February 1, 2002(4)
John D. McCleary(2)(3)	73	February 1, 2002(4)
Joseph Montgomery(1)(2)(3)	86	February 1, 2002(4)
Morgan Poliquin	42	February 1, 2002(4)
Gerald G. Carlson(1)(2)(3)	68	February 1, 2002(4)
Barry W. Smee(1)	68	July 6, 2006
Mark T. Brown (3)	45	May 30, 2011
William J. Worrall	81	May 7, 2013

(1) Member of Audit Committee

(2) Member of Nominating and Corporate Governance Committee

(3) Member of Compensation Committee

(4) Date of issue of the Certificate of Amalgamation

Duane Poliquin was a director of Almaden Resources Corporation since September 1980, Jack McCleary since June 1991 and Morgan Poliquin since June 1999.

Duane Poliquin was a director of Fairfield Minerals Ltd. since June 1996, Joseph Montgomery since July 2000 and Gerald G. Carlson since July 1998.

Table No.6 lists the Executive Officers of the Company. The Executive Officers serve at the pleasure of the Board of Directors, subject to the terms of executive compensation agreements hereinafter described. All Executive Officers are residents and citizens of Canada.

Table No. 6  
Executive Officers of the Company

Name	Position	Age	Date First Appointed
James Duane Poliquin	Chairman of the Board	73	February 1, 2002 (4)
Morgan Poliquin	President and Chief Executive	42	March 1, 2007
Korm Trieu	Officer	48	May 30, 2011
Dione Bitzer	Chief Financial Officer	53	February 1, 2002 (4)
	Controller and Secretary		June 9, 2008

(4) Date of issue of the Certificate of Amalgamation

Duane Poliquin was appointed an Officer of Almaden Resources Corporation in September 1980 and of Fairfield Minerals Ltd. in June 1996. Dione Bitzer was appointed an Officer of Fairfield Minerals Ltd. in March 2001.

Duane Poliquin is a registered professional geological engineer with over 50 years experience in mineral exploration and he is the founding shareholder of Almaden Resources Corporation. He gained international experience working

with major mining companies where he participated in the discovery of several important mineral deposits. Mr. Poliquin has held executive positions and directorships with several junior resource companies over his career. He was founder and President of Westley Mines Ltd. when that company discovered the Santa Fe gold deposit in Nevada. Mr. Poliquin spends virtually all of his time on the affairs of the Company. He also serves as a director of Gold Mountain Mining Corporation.

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John D. (Jack) McCleary is a registered professional geologist with 40 years experience in petroleum and mineral exploration. He has held executive positions with several junior resource companies over his career and for several years was a Vice President of Dominion Securities Ltd. He served as a director and President of Canadian Hydro Developers Inc. until December 1995 at which time he retired and as a director and President of Troymin Resources Ltd. until April 2003 at which time Troymin amalgamated with Santoy Resources Ltd. where he served as a director for 5 years. Mr. McCleary spends less than 5% of his time on the affairs of the Company.

Joseph Montgomery, Ph.D., P.Eng. is a professional engineer registered with the Association of Professional Engineers and Geoscientists of B.C. He has over 40 years experience in the mineral industry primarily as a consultant in base and precious metals, industrial metals and gemstones. He is President of Montgomery Consultants Ltd. and is on the Advisory Board of the Canadian Institute of Gemology. He spends less than 10% of his time on the affairs of the Company. Mr. Montgomery also serves as a director of Infrastructure Materials Corp, an industrial materials company listed on the US OTCBB and of Cosigo Resources Inc., a diamond and gold exploration company listed on the TSX-V.

Morgan Poliquin, Ph.D., P.Eng., is a registered professional geological engineer with 20 years experience in mineral exploration since graduating with a B.A.Sc. degree in geological engineering from the University of British Columbia (1994). In 1996 he earned a M.Sc. in geology from the University of Auckland, New Zealand studying geothermal and epithermal deposits in the South Pacific including the Emperor Gold Deposit, Fiji. In 2010, Dr. Poliquin earned his Ph.D. in Geology from the Camborne School of Mines, University of Exeter. He is President and CEO of the Company and oversees corporate matters as well as directing the Company's exploration program. Dr. Poliquin spends virtually all of his time on the affairs of the Company directing its exploration programs. He also serves as a director of Gold Mountain Mining Corporation.

Gerald G. Carlson, Ph.D., P.Eng, has been involved in mineral exploration and junior exploration company management for over 40 years. Mr. Carlson has a B.A.Sc. from the University of Toronto, a M.Sc. from Michigan Technological University and Ph.D. from Dartmouth College. He is a past President of AME BC (formerly the B.C. and Yukon Chamber of Mines), President of the Society of Economic Geologists Canada Foundation, a Fellow of the Society of Economic Geologists, a member of the Professional Engineers and Geoscientists of British Columbia, the Professional Engineers of the Yukon Territory and the Canadian Institute of Mining, Metallurgy & Petroleum. Mr. Carlson spends less than 5% of his time on the affairs of the Company. He also serves as Vice President of Exploration of Pacific Ridge Exploration Ltd., a gold and copper exploration company listed on the TSX-V and a director of Golden Peak Minerals Inc., a polymetallic (Cu-Pb-Zn-Au-Ag) exploration company listed on the TSX-V.

Barry W. Smee is a consulting geochemist based in British Columbia. He obtained a B.Sc. in chemistry and geology from the University of Alberta, and a Ph.D. in geochemistry from the University of New Brunswick. He has designed and managed commercial analytical laboratories and worked in academia, government and industry for over 40 years. He has authored or co-authored over 50 scientific papers on geochemical and quality control topics. Barry formed Smee and Associates Consulting Ltd., a privately owned geochemical consulting company in 1990 through which he has actively promoted the use of Quality Control protocols in mineral exploration, comprehensive due diligence procedures, and the intelligent use of modern geochemical methods. Dr. Smee spends less than 5% of his time on the affairs of the Company. He also serves as a director of Platinum Group Metals Ltd., a platinum exploration company listed on the TSX and NYSE MKT.

Mark T. Brown is a Chartered Accountant and earned a Bachelor's Degree in Commerce from the University of British Columbia in 1990. Mr. Brown received his Chartered Accountant's designation in 1993 while working at Price Waterhouse, Chartered Accountants. From 1994 to 1997, he was the controller of two TSE 300 mining companies, one after the other, each of which produced in excess of 100,000 ounces of gold annually. At the end of 1997, Mr. Brown joined Pacific Opportunity Capital Ltd. which was set up to provide business financial support, both

administratively and for transactions and negotiations, to public and private emerging companies. Mr. Brown spends approximately 5% of his time on the affairs of the Company. He also serves as a director and CFO of Big Sky Petroleum Corporation, an oil and gas exploration company listed on the TSX-V and Tarsis Resources Ltd., a mineral exploration company listed on the TSX-V. Mr. Brown also serves as a director of the following companies:

- a. Avrupa Minerals Ltd., a base metals exploration company listed on the TSX-V.
- b. Estrella Gold Corporation, a gold exploration company listed on the TSX-V.

- c. Galileo Petroleum Ltd., an oil and gas exploration company listed on the TSX-V.
- d. Animas Resources Ltd., a gold exploration company listed on the TSX-V.
- e. Strategem Capital Corp., an investment issuer listed on the TSX-V.
- f. Sutter Gold Mining Ltd., a gold exploration company listed on the TSX-V.

William J. Worrall, Q.C. is a retired lawyer with over 55 years practice primarily in the areas of securities, national and transnational corporate and commercial transactions, including mergers and acquisitions, with emphasis on junior resource companies engaged in mining and oil and gas exploration and development. Mr. Worrall spends less than 5% of his time on the affairs of the Company.

Korm Trieu is a Chartered Accountant and holds a Bachelor of Science degree from the University of British Columbia and has spent over 15 years in corporate finance, administration and tax services, primarily in the natural resource, financial service and real estate sectors. From 2008-2011, he served as Vice President Finance for Sprott Resource Lending Corp. where he oversaw the Finance and Administration departments of a natural resource lending company. Mr. Trieu spends all of his business time on the affairs of the Company.

Dione Bitzer is a Certified Management Accountant with over 20 years accounting experience with junior exploration companies. She has held executive positions with several junior resource companies. Miss Bitzer spends all of her business time on the affairs of the Company.

There are no arrangements or understandings with any two or more directors or executive officers pursuant to which any such person was selected as a director or executive officer. Duane Poliquin, Chairman of the Board and Director, is the father of Morgan Poliquin, President, Chief Executive Officer and Director.

During Fiscal 2012, the Compensation Committee conducted an Executive and Directors Compensation Review which resulted in the recommendations that remuneration of the Chairman and Chief Executive Officer be increased to annual remuneration of \$240,000 and \$265,000 respectively effective January 1, 2013, for two years, renewable for two additional successive terms of 24 months. All Directors are to be compensated \$7,000 yearly and the Chairs of the Audit Committee and Compensation, Nominating and Corporate Governance Committee be compensated \$3,000 yearly, effective January 1, 2013. The Compensation Committee also recommended that, with respect to Director stock options, up to 250,000 options be granted to each non-management Director. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board of Directors. The Board of Directors may award special remuneration to any director undertaking any special services on behalf of the Company other than services ordinarily required of a director. Other than indicated below no director received any compensation for his services as a director, including committee participation and/or special assignments.

Total compensation paid by the Company directly and/or indirectly to all directors and executive officers during Fiscal 2013 was \$854,000.

Table No. 7  
Summary Compensation Table

Name and Principle Position	Fiscal Year	Long-Term Compensation						
		Salary	Bonus	Other Annual Compensation	Awards Restricted Options/ Stock Awards	SARS Granted (#)	LTIP Payouts	All Other Compensation
Duane Poliquin Chairman of the Board & Director	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$246,300(1)
	2012	Nil	Nil	Nil	Nil	100,000	Nil	\$327,000(1)
	2011	Nil	Nil	Nil	Nil	550,000	Nil	\$298,525(1)
Morgan Poliquin President, Chief Executive Officer & Director	2013	\$265,000	Nil	Nil	Nil	Nil	Nil	Nil
	2012	\$225,000	\$90,000	Nil	Nil	500,000	Nil	Nil
	2011	\$206,250	\$94,800	Nil	Nil	650,000	Nil	Nil
Jack McCleary Director	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$10,000(2)(4)
	2012	Nil	Nil	Nil	Nil	25,000	Nil	\$6,000(2)
	2011	Nil	Nil	Nil	Nil	100,000	Nil	\$5,000(2)
Joseph Montgomery Director	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$7,000(2)
	2012	Nil	Nil	Nil	Nil	25,000	Nil	\$6,000(2)
	2011	Nil	Nil	Nil	Nil	225,000	Nil	\$5,000(2)
Gerald G. Carlson Director	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$7,000(2)
	2012	Nil	Nil	Nil	Nil	25,000	Nil	\$6,000(2)
	2011	Nil	Nil	Nil	Nil	100,000	Nil	\$5,000(2)
Barry W. Smee Director	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$8,500(2)(5)
	2012	Nil	Nil	Nil	Nil	25,000	Nil	\$6,000(2)
	2011	Nil	Nil	Nil	Nil	125,000	Nil	\$10,000(2)(5)
Mark T. Brown Director, former Chief Financial Officer	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$7,700(2)(6)
	2012	Nil	Nil	Nil	Nil	125,000	Nil	\$3,488(2)(6)
	2011	Nil	Nil	Nil	Nil	25,000	Nil	\$26,325(6)
William J. Worrall Director	2013	Nil	Nil	Nil	Nil	250,000	Nil	Nil
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James E. McInnes Former Director	2013	Nil	Nil	Nil	Nil	Nil	Nil	\$10,000(2)(3)
	2012	Nil	Nil	Nil	Nil	25,000	Nil	\$7,500(2)(3)
	2011	Nil	Nil	Nil	Nil	100,000	Nil	\$5,000(2)
Donald M. Lorimer Former Director	2013	N/A	N/A	N/A	N/A	N/A	N/A	Nil
	2012	N/A	N/A	N/A	N/A	N/A	N/A	\$4,500(2)(3)
	2011	Nil	Nil	Nil	Nil	Nil	Nil	\$8,000(2)(3)
Marc Blythe Former Vice-President-Mining	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2011	Nil	Nil	Nil	Nil	Nil	Nil	\$24,938(7)
Korm Trieu Chief Financial Officer	2013	\$185,000	Nil	Nil	Nil	75,000	Nil	Nil
	2012	\$165,000	\$33,000	Nil	Nil	75,000	Nil	Nil
	2011	\$88,084	\$15,000	Nil	Nil	150,000	Nil	Nil
Dione Bitzer Controller & Secretary	2013	\$100,000	\$7,500	Nil	Nil	Nil	Nil	Nil
	2012	\$96,875	\$10,000	Nil	Nil	Nil	Nil	Nil
	2011	\$73,950	\$6,500	Nil	Nil	125,000	Nil	Nil

- (1) For geological services provided to the Company and general and administrative services provided by Hawk Mountain Resources Ltd., a private company of which Duane Poliquin is a shareholder.
- (2) Director's fees.
- (3) Audit Committee Chairman's fees.
- (4) Compensation Committee Chairman's fees.
- (5) For consulting services provided by Smee & Associates Consulting Ltd., a company owned by Barry Smee and his wife.
- (6) For financial and administrative services provided by Pacific Opportunity Capital Ltd., a company controlled by Mark T. Brown and his family.
- (7) For technical services provided to the Company.

#### Remuneration for Termination

The Company has the following termination clauses within its executive compensation contracts.

The Executive Compensation Contract dated January 29, 2013 (the "HMR Agreement") between the Company and Hawk Mountain Resources Ltd. ("Management Company"), a private company of which Duane Poliquin is a shareholder, will terminate or may be terminated for any one of the following reasons:

- (a) voluntary, upon at least three (3) months prior written notice of termination by the Management Company to the Company; or
- (b) without Cause, upon at least three (3) months prior written notice of termination by the Company to the Management Company; or
- (c) by the Company for Cause; or
- (d) upon the death or disability of the Executive; or
- (e) upon retirement by the Executive.

#### Termination by the Management Company Voluntarily or by the Company for Cause

If the Management Company shall voluntarily terminate the provision of the services of the Executive under the HMR Agreement or if the engagement of the Management Company thereunder is terminated by the Company for Cause, then all compensation and benefits as theretofore provided shall terminate immediately upon the effective date of termination and no special termination compensation will be paid.

Cause to terminate the Management Company's engagement under the HMR Agreement shall mean:

- (a) the repeated and demonstrated failure by the Executive or the Management Company to perform the Executive or the Management Company's material duties under the HMR Agreement, after demand for substantial performance is delivered by the Company to the Management Company and the Executive that specifically identifies the manner in which the Company believes the Executive or the Management Company has not substantially performed the Executive or the Management Company's duties under the HMR Agreement; or
- (b) the willful engagement by the Executive or the Management Company in misconduct which is materially injurious to the Company, monetarily or otherwise; or
- (c) any other willful violation by the Executive or the Management Company of the provisions of the HMR Agreement; or
- (d) the Executive or the Management Company is convicted of a criminal offence involving fraud or dishonesty.

#### Termination by the Company Without Cause

If the Company shall terminate the Management Company's engagement under the HMR Agreement for any reason except for Cause then, upon the effective date of termination, the Company shall pay the Management Company in one lump sum an amount equal to two (2) times the Management Company's then current Base Fee. All the benefits theretofore provided to the Executive or the Management Company shall be continued as if the Executive was still an executive of the Company for a period of twelve (12) months from the date of termination.

#### Termination by Death or Disability

If the Executive dies or becomes disabled before the Management Company's services are otherwise terminated, the Company shall pay the Management Company, an amount of compensation equal to six (6) months of the Management Company's then current Base Fee and all the benefits theretofore provided to the Executive or the Management Company shall be continued, for a period of six (6) months from the date of Death or Disability as if the Executive were still an executive officer of the Company. If such termination is due to the Executive's Death, payment shall be made in one lump sum to the Management Company. If such termination is due to the Executive's Disability, payment shall be made in one lump sum to the Management Company within sixty (60) days of the Executive's Disability. The compensation provided under this paragraph shall be in addition to that payable from any insurance coverage providing compensation upon Death or Disability.

#### Termination Following Change in Control



For purposes of the HMR Agreement, a Change in Control shall be deemed to have occurred if:

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- (i) any person or any person and such person's associates or affiliates, as such terms are defined in the Securities Act (British Columbia) (the "Act"), makes a tender, take-over or exchange offer, circulates a proxy to shareholders or takes other steps to effect a takeover of the control of the Company, whether by way of a reverse take-over, formal bid, causing the election or appointment of a majority of directors of the Company or otherwise in any manner whatsoever; or
- (ii) during any period of eighteen (18) consecutive months (not including any period prior to the Effective Date), individuals who at the beginning of such period constituted the Board of Directors and any new directors, whose appointment by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least three quarters (3/4) of the Board of Directors then still in office who either were directors at the beginning of the period or whose appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors; or
- (iii) the acquisition by any person or by any person and such person's affiliates or associates, as such terms are defined in the Act, and whether directly or indirectly, of common shares of the Company at the time held by such person and such person's affiliates and associates, totals for the first time, twenty percent (20%) or more of the outstanding common shares of the Company.

Notwithstanding any other provisions in the HMR Agreement regarding termination, if any of the events described above constituting a Change in Control shall have occurred during the Term or an Extended Term, upon the termination of the Management Company's services (unless such termination is because of the Executive's Death or Disability, by the Company for Cause or by the Management Company other than for "Good Reason", as defined below) the Management Company shall be entitled to and will receive no later than the fifteenth (15th) day following the date of termination a lump sum payment equal to three (3) times the Management Company's then current Base Fee. In addition, all benefits then applicable to the Executive or the Management Company shall be continued for a period of eighteen (18) months after the date of termination.

For purposes of the HMR Agreement, "Good Reason" shall mean, without the Management Company's express written consent, any of the following:

- (i) the assignment to the Executive of any duties inconsistent with the status or authority of the Executive's office, or the Executive's removal from such position, or a substantial alteration in the nature or status of the Executive's authorities or responsibilities from those in effect immediately prior to the Change in Control;
- (ii) a reduction by the Company of the Management Company's Base Fee as in effect on the date hereof or as the same may have been increased from time to time, or a failure by the Company to increase the Management Company's Base Fee as provided for herein or at a rate commensurate with that of other key executives of the Company;
- (iii) the relocation of the office of the Company where the Executive is employed at the time of the Change in Control (the "CIC Location") to a location more than fifty (50) miles away from the CIC Location, or the Company's requiring the Executive to be based more than fifty (50) miles away from the CIC Location (except for requiring travel on the Company's business to an extent substantially consistent with the Executive's business travel obligations prior to the Change in Control);
- (iv) the failure by the Company to continue to provide the Executive or the Management Company with benefits at least as favourable as those enjoyed by the Executive or the Management Company prior to the Change in Control, the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive or the Management Company of any material fringe benefit enjoyed by the Executive or the Management Company at the time of the Change in Control, or the increase by the Company of the number of weeks of the Executive's services required to be provided to the Company by the Management Company; or
- (v) the failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform the HMR Agreement or, if the business of the Company for which the Executive's services are principally

performed is sold within two (2) years after a Change in Control, the purchaser of such business shall fail to agree to provide the Management Company with the same or a comparable position, duties, remuneration and benefits for the Executive and the Management Company as provided immediately prior to the Change in Control.

Following a Change in Control during the Term, or an Extended Term, the Management Company shall be entitled to stop providing the Executive's services for Good Reason.

In the event the Management Company is entitled to a termination payment under the HMR Agreement, then in addition to such termination payment, the Management Company shall be entitled to employment search assistance to secure other comparable employment for the Executive for a period not to exceed one (1) year or until such comparable employment is found, whichever is the sooner, with fees for such assistance to be paid by the Company.

The Management Company's right to receive the aforementioned payment and benefits is expressly contingent upon the signing of a waiver and release satisfactory to the Company which releases the Company and its affiliates from all claims and liabilities arising out of the Management Company's provision of the Executive's services and termination thereof and including confidentiality provisions, which waiver and release is satisfactory to the Company with the respect to form, substance and timeliness.

The Executive Employment Contract dated January 29, 2013 between the Company and Morgan Poliquin (the "MP") will terminate or may be terminated for any one of the following reasons:

- (a) voluntary, upon at least three (3) months prior written notice of termination by the Executive to the Company; or
- (b) without Cause, upon at least three (3) months prior written notice of termination by the Company to the Executive; or
- (c) by the Company for Cause; or
- (d) upon the death or disability of the Executive; or
- (e) upon retirement by the Executive.

#### Termination by the Executive Voluntarily or by the Company for Cause

If the Executive shall voluntarily terminate employment under the MP Agreement or if the employment of the Executive is terminated by the Company for Cause, then all compensation and benefits as theretofore provided shall terminate immediately upon the effective date of termination and no special severance compensation will be paid.

Cause to terminate the Executive's employment shall mean:

- (a) the repeated and demonstrated failure by the Executive to perform the Executive's material duties under the MP Agreement, after demand for substantial performance is delivered by the Company to the Executive that specifically identifies the manner in which the Company believes the Executive has not substantially performed the Executive's duties under the MP Agreement; or
- (b) the willful engagement by the Executive in misconduct which is materially injurious to the Company, monetarily or otherwise; or
- (c) any other willful violation by the Executive of the provisions of the MP Agreement; or
- (d) the Executive is convicted of a criminal offence involving fraud or dishonesty.

#### Termination by the Company Without Cause

If the Company shall terminate the Executive's employment under the MP Agreement for any reason except for Cause then, upon the effective date of termination, the Company shall pay the Executive in one lump sum an amount equal to two (2) times the Executive's then current Base Salary, less all statutory withholdings and deductions. All the benefits theretofore provided to the Executive shall be continued as if the Executive was still an employee of the

Company for a period of twelve (12) months from the date of termination or until equal or better benefits are provided by a new employer, whichever shall first occur.

#### Termination by Death or Disability

If the Executive dies or becomes disabled before the Executive's employment is otherwise terminated, the Company shall pay the Executive or the Executive's estate, an amount of compensation equal to six (6) months of the Executive's then current Base Salary and all the benefits theretofore provided to the Executive shall be continued, for a period of six (6) months from the date of Death or Disability as if the Executive were still an employee of the Company. If such termination is due to the Executive's Death, payment shall be made in one lump sum to the Executive's Designate. If no Executive's Designate survives the Executive, the entire amount shall be paid to the Executive's estate within sixty (60) days of the Executive's death. If such termination is due to the Executive's Disability, payment shall be made in one lump sum to the Executive within sixty (60) days of the Executive's Disability. The compensation provided under this paragraph shall be in addition to that payable from any insurance coverage providing compensation upon Death or Disability.

#### Termination Following Change in Control

For purposes of the MP Agreement, a Change in Control shall be deemed to have occurred if:

- (i) any person or any person and such person's associates or affiliates, as such terms are defined in the Securities Act (British Columbia) (the "Act"), makes a tender, take-over or exchange offer, circulates a proxy to shareholders or takes other steps to effect a takeover of the control of the Company, whether by way of a reverse take-over, formal bid, causing the election or appointment of a majority of directors of the Company or otherwise in any manner whatsoever; or
- (ii) during any period of eighteen (18) consecutive months (not including any period prior to the Effective Date), individuals who at the beginning of such period constituted the Board of Directors and any new directors, whose appointment by the Board of Directors or nomination for election by the Company's shareholders was approved by a vote of at least three quarters (3/4) of the Board of Directors then still in office who either were directors at the beginning of the period or whose appointment or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Directors; or
- (iii) the acquisition by any person or by any person and such person's affiliates or associates, as such terms are defined in the Act, and whether directly or indirectly, of common shares of the Company at the time held by such person and such person's affiliates and associates, totals for the first time, twenty percent (20%) or more of the outstanding common shares of the Company.

Notwithstanding any other provisions in the MP Agreement regarding termination, if any of the events described above constituting a Change in Control shall have occurred during the Term or an Extended Term, upon the termination of the Executive's employment (unless such termination is because of the Executive's Death or Disability, by the Company for Cause or by the Executive other than for "Good Reason", as defined below) the Executive shall be entitled to and will receive no later than the fifteenth (15th) day following the date of termination a lump sum severance payment equal to three (3) times the Executive's then current Base Salary. In addition, all benefits then applicable to the Executive shall be continued for a period of eighteen (18) months after the date of termination.

For purposes of the MP Agreement, "Good Reason" shall mean, without the Executive's express written consent, any of the following:

- (i) the assignment to the Executive of any duties inconsistent with the status or authority of the Executive's office, or the Executive's removal from such position, or a substantial alteration in the nature or status of the Executive's authorities or responsibilities from those in effect immediately prior to the Change in Control;
- (ii) a reduction by the Company in the Executive's Base Salary as in effect on the date hereof or as the same may have been increased from time to time, or a failure by the Company to increase the Executive's Base Salary as provided

- for herein or at a rate commensurate with that of other key executives of the Company;
- (iii) the relocation of the office of the Company where the Executive is employed at the time of the Change in Control (the “CIC Location”) to a location more than fifty (50) miles away from the CIC Location, or the Company’s requiring the Executive to be based more than fifty (50) miles away from the CIC Location (except for requiring travel on the Company’s business to an extent substantially consistent with the Executive’s business travel obligations prior to the Change in Control);

- (iv) the failure by the Company to continue to provide the Executive with benefits at least as favourable as those enjoyed by the Executive prior to the Change in Control, the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive the Executive of any material fringe benefit enjoyed by the Executive at the time of the Change in Control, or the failure by the Company to provide the Executive with the number of entitled vacation days to which the Executive has earned on the basis of years of service with the Company; or
- (v) the failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform the MP Agreement or, if the business of the Company for which the Executive's services are principally performed is sold within two (2) years after a Change in Control, the purchaser of such business shall fail to agree to provide the Executive with the same or a comparable position, duties, salary and benefits as provided to the Executive by the Company immediately prior to the Change in Control.

Following a Change in Control during the Term, or an Extended Term, the Executive shall be entitled to terminate the Executive's employment for Good Reason.

In the event the Executive is entitled to a severance payment under the MP Agreement, then in addition to such severance payment, the Executive shall be entitled to employment search assistance to secure other comparable employment for a period not to exceed one (1) year or until such comparable employment is found, whichever is the sooner, with fees for such assistance to be paid by the Company.

The Executive's right to receive the aforementioned payment and benefits is expressly contingent upon the signing of a waiver and release satisfactory to the Company which releases the Company and its affiliates from all claims and liabilities arising out of the Executive's employment and termination and including confidentiality provisions, which waiver and release is satisfactory to the Company with the respect to form, substance and timeliness.

#### Stock options

Incentive stock options to purchase securities from the Company are granted to directors, executive officers, employees and consultants of the Company on terms and conditions acceptable to the regulatory authorities in Canada, notably the Toronto Stock Exchange, and in accordance with the requirements of the applicable Canadian securities commissions' requirements and regulations.

The Company has a formal written stock option plan ("Plan") which permits the issuance of up to 10% of the Company's issued share capital from time to time during the term of the Plan and may be granted from time to time provided that incentive stock options in favour of any consultant or person providing investor relations services cannot exceed 2% in any 12 month period. No incentive stock option granted under the Plan is transferable by the optionee other than by will or the laws of descent and distribution, and each incentive stock option is exercisable during the lifetime of the optionee only by such optionee and by the optionee's personal representatives in the event of death for a period ending on the earlier of the expiry date of the option and twelve months after the date of death.

The exercise price of all incentive stock options granted under the Plan is determined in accordance with Toronto Stock Exchange guidelines and cannot be less than the Market Price on the date of the grant. Market Price is 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 each incentive stock option is five years. Options granted to consultants or persons providing Investor Relations Activities (as defined in the Plan) shall vest in stages with no more than 1/4 of such options being exercisable in any three month period. All options granted during Fiscal 2013, Fiscal 2012 and Fiscal 2011 vested on the date granted. Under the requirements of the Toronto Stock Exchange, all unallocated options under the Plan must be approved by the Board of Directors, including a majority of the unrelated directors and by the shareholders every three years after the institution of the Plan. Insiders and affiliates of insiders entitled to receive a benefit under the Plan are not entitled to vote for such approval.



The names and titles of the directors and executive officers of the Company to whom outstanding stock options have been granted and the number of common shares subject to such options as of March 28, 2014 are set forth in Table No. 8, as well as the number of options granted to directors, executive officers, employees and contractors as a group.

Table No. 8  
Stock Options Outstanding

Name	Number of Options Outstanding	Exercise Price CDN\$	Expiry Date
Duane Poliquin, Chairman of the Board & Director	220,000	\$1.14	01/04/2015
	140,000	1.00	06/21/2015
	100,000	2.22	08/27/2015
	500,000	3.29	06/08/2016
	50,000	2.93	08/15/2016
	100,000	2.18	05/04/2017
Morgan Poliquin President, Director & Chief Executive Officer	150,000	0.81	11/25/2014
	350,000	1.14	01/04/2015
	100,000	0.92	07/16/2015
	100,000	2.67	09/20/2015
	650,000	3.29	06/08/2016
	500,000	2.63	09/11/2017
	250,000	1.19	01/02/2019
Jack McCleary Director	100,000	0.92	07/16/2015
	50,000	2.73	11/22/2015
	50,000	3.29	06/08/2016
	50,000	2.93	08/15/2016
	25,000	2.18	05/04/2017
Gerald G. Carlson Director	50,000	1.14	01/04/2015
	25,000	2.73	11/22/2015
	50,000	3.29	06/08/2016
	50,000	2.93	08/15/2016
	25,000	2.18	05/04/2017
	50,000	1.19	01/02/2019
Joseph Montgomery Director	225,000	3.29	06/08/2016
	25,000	2.18	05/04/2017
Barry Smee Director	100,000	2.22	08/27/2015
	125,000	3.29	06/08/2016
	25,000	2.18	05/04/2017
Mark T. Brown Director	75,000	1.14	01/04/2015
	25,000	3.29	06/08/2016
	25,000	2.18	05/04/2017
	100,000	2.53	11/22/2017
	25,000	1.19	01/02/2019
William J. Worrall Director	250,000	1.66	06/18/2018

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Korm Trieu	150,000	3.29	06/08/2016
Chief Financial Officer	75,000	2.25	06/08/2017
	75,000	1.98	04/04/2018
	50,000	1.19	01/02/2019
Dione Bitzer	125,000	3.29	06/08/2016
Controller & Secretary			
Total Directors/Officers (10 persons)	5,210,000		
Total Employees/Consultants (9 persons)	985,000		
Total	6,195,000		
Directors/Officers/Employees/Consultants			

No funds were set aside or accrued by the Company during Fiscal 2013 to provide pension, retirement or similar benefits for directors or executive officers.

#### Board Practices

This Statement of Board Practices has been approved by the Board.

#### General

The Toronto Stock Exchange (“TSX”) and the applicable Canadian securities law and regulation require that the Company comply with National Instrument 58-101 (Disclosure of Corporate Governance Practices) or any replacement of that instrument. The Company is also, under applicable Canadian securities law and regulation, required to comply with National Policy 58-201 (Corporate Governance Guidelines). National Instrument 58-101 and National Policy 58-201 (for convenience referred to in the aggregate as the “guidelines”) deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of the board members and other matters. The Company’s statement as to compliance with the guidelines and its approach to corporate governance is set forth below.

#### Corporate Governance

The Company’s Board and management are committed to the highest standards of corporate governance. The Company’s corporate governance practices are in accordance with the guidelines. The Company is also cognizant of and compliant with various corporate governance requirements in Canada and is in compliance with applicable U.S. requirements.

The Company’s prime objective in directing and managing its business and affairs is to enhance shareholder value. The Company views effective corporate governance as a means of improving corporate performance and accordingly of benefit to the Company and all shareholders.

The Company also believes that director and management honesty and integrity are essential factors in ensuring good and effective corporate governance. To that end the Company’s directors have adopted various codes and policies for the Company, its directors, officers, employees and consultants. The codes and policies adopted to date are as follows: Audit Committee Charter, Nominating and Corporate Governance Committee-Responsibilities and Duties, Compensation Committee-Responsibilities and Duties, Code of Business Ethics, Code of Business Conduct and Ethics for Directors, Communications Policy, Securities Trading Policy, Whistleblowers Policy and Privacy Policy (the “Codes”). The Codes may be viewed on the Company’s website at [www.almadenminerals.com](http://www.almadenminerals.com). The Codes may also be viewed as filed on EDGAR as an exhibit to the 2005 20-F Annual Report filed with the Commission on March 30, 2006. Any amendments to the Codes or waivers of the provision of any Codes will be posted on the Company’s website within 5 business days of such amendment or waiver.

#### Executive Officer Position Descriptions

##### Chairman of the Board (‘Chairman’)

##### Responsibilities:

- Leads the Board and also takes a hands-on role in the Company’s day-to-day management
- Helps the CEO to oversee all the operational aspects involved in running the Company, including project selection and planning.

- Takes overall responsibility for the Company's direction and growth, seeking to generate significant financial gains for the shareholders.
- Oversees relationships with the communities and stakeholders in the areas where the Company operates, with the intent of ensuring the Company's activities are of benefit to all.

Chief Executive Officer ('CEO')

Reports to:

The Board of Directors of the Company.

Function:

Provides overall leadership and vision in developing, in concert with the Board, the strategic direction of the Company and in developing the tactics and business plans necessary to increase shareholder value.

Manages the overall business to ensure strategic and business plans are effectively implemented, the results are monitored and reported to the Board and financial and operational objectives are attained.

Authorities, Duties and Responsibilities:

(a) General Functions:

1. Provides effective leadership to the management and the employees of the Company and establishes an effective means of control and co-ordination for all operations and activities.
2. Fosters a corporate culture that promotes ethical practices, integrity and a positive work climate enabling the Company to attract, retain and motivate a diverse group of quality employees.
  3. Keeps the Board fully informed on the Company's operational and financial affairs.
4. Develops and maintains a sound, effective organization structure and plans for capable management succession, progressive employee training and development programs and reports to the Board on these matters.
5. Ensures that effective communications and appropriate relationships are maintained with the shareholders of the Company and other stakeholders.
  6. Develops capital expenditure plans for approval by the Board.
  7. Turns any strategic plan as may be developed by the Board into a detailed operating plan.

(b) Strategy and Risks

1. Develops and recommends to the Board strategic plans to ensure the Company's profitable growth and overall success. This includes updating and making changes as required and involving the Board in the early stages of developing strategy.
2. Identifies in conjunction with the other senior officers and appropriate directors the key risks with respect to the Company and its businesses and reviews such risks and strategies for managing them with the Board.
  3. Ensures that the assets of the Company are adequately safeguarded and maintained.

(c) Exploration and Development

Responsible for managing the day to day activities and operating management of the Company and as such shall be responsible for the design, operation and improvement of the systems that create the Company's exploration and development opportunities. The CEO accordingly shall have the primary responsibility:

- To direct and oversee all operational activities of the Company including exploration, development, mining and other such functions.
  - To initiate solutions to the key business challenges of the Company.
- To participate in sourcing and negotiating financial arrangements for the further expansion and development of the Company including joint ventures, mergers, acquisitions, debt and equity financing.
- Represent and speak for the Company with shareholders, potential investors and other members of the industry.



(d) Financial Reporting

Oversees the quality and timeliness of financial reporting. Reports to the Board in conjunction with the CFO on the fairness and adequacy of the financial reporting of the Company to its shareholders.

Chief Financial Officer ('CFO')

Reports to:

The CEO of the Company.

Responsibilities:

- Developing, analyzing and reviewing financial data.
  - Reporting on financial performance.
  - Monitoring expenditures and costs.
- Assisting the CEO in preparing budgets and in the communicating to the analyst and shareholder, community and securities regulators, the financial performance of the Company.
  - Fulfilling the reporting requirements of the securities regulators, stock exchanges and shareholders.
  - Monitoring filing of tax returns and payment of taxes.

The CFO shall assist the CEO in establishing effective means of control and co-ordination of the operations and activities of the Company and identifying, in conjunction with the CEO, the key risks with respect to the Company and its business and reviewing with the CEO the strategies for managing such risks and ensuring that the assets of the Company are adequately safeguarded and maintained.

The CFO, in conjunction with the CEO, shall design or supervise the design of and implement, maintain and periodically evaluate the effectiveness of internal controls to provide reasonable assurances that the financial statements of the Company are fairly presented in accordance with generally accepted financial standards and principles and that disclosure controls are in place to provide reasonable assurance that material information relating to the financial performance of the Audit Committee.

Controller

Reports to:

The Chairman, the Chief Operating Officer and the Chief Financial Officer

Responsibilities:

The Controller is responsible for:

- assisting in developing, analyzing and reviewing financial data;
  - assisting in the reporting on financial performance;
  - assisting in the monitoring expenditures and costs;
  - assisting the CEO and CFO in preparing budgets
- assisting in fulfilling the reporting requirements of the securities regulators, stock exchanges and shareholders.

The Controller shall assist the CEO and CFO in establishing effective means of control and co-ordination of the operations and activities of the Company and identifying, in conjunction with the CEO and CFO the key risks with respect to the Company and its business and reviewing with the CEO and CFO the strategies for managing such risks and ensuring that the assets of the Company are adequately safeguarded and maintained



The Controller in conjunction with the CEO and CFO shall assist in design or supervise the design of and implement, maintain and periodically evaluate the effectiveness of internal controls to provide reasonable assurances that the financial statements of the Company are fairly presented in accordance with generally accepted accounting standards and principles and that disclosure controls are in place to provide reasonable assurance that material information relating to the financial performance of the Company is made known to the CEO and CFO and that any deficiencies are made known to the Audit Committee.

Mandate of the Board

The mandate of the Board is to supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In fulfilling its mandate, the Board, among other matters, is responsible for:

- (a) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan, taking into account the risk and opportunities of the Company's business;
- (b) identifying the principal risks of the Company's business and implementing appropriate systems to manage such risks;
- (c) satisfying itself, to the extent reasonably feasible, of the integrity of the CEO and other executive officers (if any) and ensuring that all such officers create a culture of integrity throughout the Company and developing programs of succession planning (including appointing, training and monitoring senior management);
- (d) creating the Company's internal control and management information systems and creating appropriate policies for matters including communications, securities trading, privacy, audit, whistleblowing and codes of ethical conduct;
- (e) managing its affairs including selecting its Chair, nomination of candidates for election to the Board, constituting committees of the Board and determining director compensation; and
  - (f) engaging any necessary internal and/or external advisors.

In the Fiscal year ended December 31, 2013 there were seven (7) meetings of the Board. The frequency of meetings as well as the nature of agenda items change, depending upon the state of the Company's affairs and in light of opportunities or risks which the Company is subject to. Table No. 9 indicates the number of meetings attended by each director.

Table No. 9  
Meetings Attended

Director	Number
Duane Poliquin	7
Morgan Poliquin	7
Jack McCleary	6
Joseph Montgomery	7
Gerald G. Carlson	6
Barry W. Smee	5
Mark T. Brown	5
William J. Worrall	3*

\*attended 3 out of 4 meetings held after his appointment on May 7, 2013

The Chairman is the chair of meetings of the Board of directors and is not an independent director. Meetings of the independent members of the Board may be held periodically as convened by the independent Board members. In Fiscal 2013, five (5) meetings of the independent Board members were convened.

In carrying out its mandate, the Board and each committee of the Board, relies primarily on management and its employees to provide it with regular detailed reports on the operations of the Company and its financial position. Certain members of management are also on the Board and provide the Board with direct access to information concerning their areas of responsibility. Management personnel are also regularly asked to attend Board

meetings to provide information, answer questions and receive the direction of the Board. The reports and information provided to the Board enable them to monitor and manage the risks associated with the Company's operations and its compliance with legal and safety requirements, environmental issues and the financial position and liquidity of the Company.

The Board discharges its responsibilities directly and through committees. At regularly scheduled meetings, members of the Board and management discuss the broad range of matters and issues relevant to the Company's business interests and the Board is responsible for the approval of the Company's Strategic Plan. In addition, the Board receives reports from management on the Company's operational and financial performance. Between scheduled meetings, matters requiring Board authorization is effected by means of signed Consent Resolutions.

## Board Assessment

The Nomination and Corporate Governance Committee reports to the Board periodically on the evaluation of the Board's performance and that of the individual directors. The Performance of the Chief Executive Officer is evaluated by the Compensation Committee.

## Composition of the Board

The guidelines recommend that a board of directors be constituted with a majority of individuals who qualify as independent directors.

In deciding whether a particular director is independent, the Board examined the factual circumstances of each director and considered them in the context of many factors, including the definitions in the guidelines and the requirements and policies of NYSE MKT Company Guide Rules. The proposed Board is composed of eight members. The Board believes that 4 directors would be considered independent - Jack McCleary, Joseph Montgomery, Gerald Carlson and Barry Smee. The basis for determination of independence is under Canadian securities instrument NI 52-110 and NYSE MKT Exchange Company Guide Rules.

The NYSE MKT rules generally require that a majority of a listed company's directors be "independent." However, its rules provide an exemption for companies which have Boards comprised of only 50% "independent" directors, provided that such companies, as of the end of the second quarter of their preceding fiscal year, met the definition of "smaller reporting companies" under the SEC's rules. The Company qualifies for such exemption.

The Company does not have a controlling or significant shareholder. The Board believes that the membership of the Board fairly reflects the investment in the Company by minority shareholders.

The Board considers its size and composition to be appropriate and effective for carrying out its responsibilities. However, the Board may consider adding an additional director if a suitable candidate can be found who may bring additional experience or knowledge to the Board.

## Board Committees

The Board currently has three committees: the Audit Committee, the Nomination and Corporate Governance Committee and the Compensation Committee. Each member of each committee is an independent director. Each committee is responsible for determining its own rules of procedure and may, from time to time, develop written descriptions for the responsibilities of the chair of such committee. No written descriptions have yet been developed.

Mandates of each of the committees and the Codes undergo review periodically (in some cases mandated as annually) to bring them into line with changing Canadian and U.S. securities and corporate governance requirements and to reflect amendments that may be considered appropriate to make them more effective. Any revisions to the mandates and Codes will be available on the Company's website at [www.almadenminerals.com](http://www.almadenminerals.com).

## Audit Committee

The members of the Audit Committee are Messrs. Joseph Montgomery, Gerald Carlson and Jack McCleary. The Audit Committee has met four (4) times during Fiscal 2013. The full text of the initial Audit Committee Charter was filed as an exhibit to the 2003 20-F Annual Report with the Commission on May 11, 2004. After review, the charter was altered to more properly define the functions of the Audit Committee. The revised charter was filed as an exhibit to the 2005 20-F Annual Report with the Commission on March 30, 2006.

Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee are Jack McCleary, Joseph Montgomery and Gerald Carlson. The Nominating and Corporate Governance Committee has met five (5) times during Fiscal 2013. The full text of the initial Corporate Governance Charter was filed as an exhibit to the 2003 20-F Annual Report with the Commission on May 11, 2004. After review, the Responsibilities and Duties of the Nominating and Corporate Governance Committee were altered to more properly define the functions of the Nominating and Corporate Committee. The revised Responsibilities and Duties are filed as an exhibit to the 2005 20-F Annual Report with the Commission on March 30, 2006.

#### Compensation Committee

The members of the Compensation Committee are Jack McCleary, Joseph Montgomery and Gerald Carlson. The Compensation Committee has met five (5) times during Fiscal 2013 with Jack McCleary, Joseph Montgomery and Gerald Carlson attending all five (5) meetings. The Responsibilities and Duties of the Compensation Committee were filed as an exhibit to the 2005 20-F Annual Report with the Commission on March 30, 2006.

#### Decisions Requiring Board Approval

In addition to those matters which must by law be approved by the Board, management is also required to seek Board approval for any major acquisition, disposition or expenditure. Management is also required to consult with the Board before entering into any venture which is outside of the Company's existing line of business.

Changes in officers are to be approved by the Board including changes in officers of the Company's principal operating subsidiaries.

In certain circumstances it may be appropriate for an individual director to engage an outside advisor at the expense of the Company. The engagement of the outside advisor would be subject to the approval of the Nomination and Corporate Governance Committee.

#### Communications and Investor Relations

The Company has adopted a Communications Policy, the purpose and aim of which is as follows:

- (a) Controls the communications between the Company and its external stakeholders;
- (b) Complies with its continuous and timely disclosure obligations;
- (c) Avoids selective disclosure of Company information;
- (d) Protects and prevents the improper use or disclosure of material information and confidential information;
- (e) Educates the Company's personnel on the appropriate use and disclosure of material information and confidential information;
- (f) Fosters and facilitates compliance with applicable laws; and
- (g) Creates formal Disclosure Officers to help achieve the above objectives.

In accordance with the Communications Policy of the Company, designated Disclosure Officers receive and respond to shareholder enquiries. Shareholder enquiries and concerns are dealt with promptly by Disclosure Officers of the Company.

#### Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics for Directors ("Code"), a Code of Business Ethics ("COBE"), a Securities Trading Policy and a Privacy Policy. Employees and consultants are required as a term of employment to undertake to abide by the COBE. Directors are by law bound to observe the Code adopted by the Board.

All Directors, Officers and Employees ("Individuals") sign an Annual Certification ("Certification") stating they have read the Code of Business Ethics policy ("Policy") of the Company and have complied with such Policy in all respects. The Certification further acknowledges that all members of the Individual's family, all other persons who live with the Individual and all holding companies and other related entities of the Individual and all such persons or companies acting on behalf of or at the request of any of the foregoing also complied with such Policy. The Certification also states that any violation of such Policy may constitute grounds for immediate suspension or dismissal.

Each director is expected and required by statute to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances and in accordance with the Business Corporations Act (British Columbia) and the Company's Articles.

### Employees

As of December 31, 2013, the Company operated with seven persons in Canada, of which four are administrative personnel and three are exploration personnel, some of which are retained on a contractual basis. There are no full time employees in the U.S. or Mexico. None of the Company's employees are covered by a collective bargaining agreement.

### Share Ownership

Table No. 10 lists, as of March 28, 2014, directors and executive officers who beneficially own the Company's voting securities and the amount of the Company's voting securities owned by the directors and executive officers as a group.

Table No. 10  
Shareholdings of Directors and Executive Officers

Title of Class	Name of Beneficial Owner	Amounts and Nature of Beneficial Ownership	Percent of Class*
Common	Duane Poliquin	3,526,337(1)(11)	5.37%
Common	Morgan Poliquin	3,068,647(2)(11)	4.60%
Common	Jack McCleary	641,550(3)	0.99%
Common	Gerald G. Carlson	330,000(4)	0.51%
Common	Joseph Montgomery	250,000(5)	0.39%
Common	Barry Smee	310,000(6)	0.48%
Common	Mark T. Brown	339,050(7)	0.52%
Common	William J. Worrall	262,500(8)	0.40%
Common	Korm Trieu	357,500(9)	0.55%
Common	Dione Bitzer	162,200(10)	0.25%
Common	Total Directors/Officers	9,247,784	14.06%

(1) Of these shares 1,110,000 represent currently exercisable stock options, 40,000 represent currently exercisable warrants and 69,300 of these shares are held indirectly by Hawk Mountain Resources Ltd., a private company of which Duane Poliquin is a shareholder.

(2) Of these shares 2,100,000 represent currently exercisable stock options. 83,600 of these shares are held indirectly through Kohima Pacific Gold Corp., a company owned by Mr. Poliquin.

(3) Of these shares 275,000 represent currently exercisable stock options. 38,500 of these shares are held indirectly by Connemara Resource Ventures Ltd., a company owned by Mr. McCleary.

(4) Of these shares 250,000 represent currently exercisable stock options and 16,000 represent currently exercisable warrants.

(5) Of these shares 250,000 represent currently exercisable stock options.

(6) Of these shares 250,000 represent currently exercisable stock options.

(7) Of these shares 250,000 represent currently exercisable stock options. 20,000 of these shares are held indirectly by Pacific Opportunity Capital Ltd. ("POC"), a company controlled by Mr. Brown and his family which also holds 20,000 currently exercisable warrants represented in these shares.

(8) Of these shares 250,000 represent currently exercisable stock options.

(9) Of these shares 350,000 represent currently exercisable stock options. 7,500 of these shares are held indirectly by Mr. Trieu's wife.

(10) Of these shares 125,000 represent currently exercisable stock options.

(11) Pursuant to a Voting Trust Agreement (Exhibit 3 to this 20-F Annual Report), Duane Poliquin and Morgan Poliquin jointly hold voting power over 7,028,009 of the Company's common shares otherwise legally and beneficially owned by Mr. Ernesto Echavarría, as well as over any common shares issued to Mr. Echavarría upon the exercise of his warrants to acquire an additional 2,800,000 of the Company's common shares.



\*Based on 64,578,321 shares outstanding as of March 28, 2014 and stock options and warrants held by each beneficial owner.

Item 7. Major Shareholders and Related Party Transactions

The Company is a publicly owned Canadian company, the shares of which are owned by residents of the U.S., residents of Canada and other foreign residents. To the extent known by the directors and executive officers of the Company, the Company is not directly or indirectly owned or controlled by another company. Table No. 11 lists, as of March 28, 2014, the only persons or companies beneficially owning more than 5% of the Company's voting securities.

Table No. 11  
Shareholdings of Beneficial Owners

Title of Class	Name of Beneficial Owner	Amounts and Nature of Beneficial Ownership	Percent of Class*
Common	Duane Poliquin	3,526,337(1)(3)	5.37%
Common	Ernesto Echavarria	9,828,009(2)	14.59%

(1) Of these shares 1,110,000 represent currently exercisable stock options, 40,000 represent currently exercisable warrants and 69,300 of these shares are held indirectly by Hawk Mountain Resources Ltd., a private company of which Duane Poliquin is a shareholder.

(2) Of these shares 2,800,000 represent currently exercisable warrants.

(3) Pursuant to a Voting Trust Agreement (Exhibit 3 to this 20-F Annual Report), Duane Poliquin and Morgan Poliquin jointly hold voting power over 7,028,009 of the Company's common shares otherwise legally and beneficially owned by Mr. Ernesto Echavarria, as well as over any common shares issued to Mr. Echavarria upon the exercise of his warrants to acquire an additional 2,800,000 of the Company's common shares.

\*Based on 64,578,321 shares outstanding as of March 28, 2014 and stock options and warrants held by each beneficial owner.

#### Related party transactions

Certain geological, technical, professional and general and administrative services were provided to the Company by directors and officers and/or companies controlled by them. These directors and officers and the companies controlled by them are as follows:

(a) Duane Poliquin operates through Hawk Mountain Resources Ltd., a private company of which Duane Poliquin is a shareholder.

(b) Barry Smee operates through his private company Smee & Associates Consulting Ltd.

(c) Mark T. Brown operates through Pacific Opportunity Capital Ltd., a private company controlled by Mr. Brown and his family.

The costs of such services for Fiscal 2013 ended December 31, 2013 were \$245,500, Fiscal 2012 ended December 31, 2012 were \$327,488 and Fiscal 2011 ended December 31, 2011 were \$329,850.

Certain officers and directors of the Company are also officers or directors of companies with which the Company has agreements and may not be considered at arm's-length to such agreements. However, any agreement or any to be negotiated between the Company and such other companies has been or will be approved by directors of the Company, in accordance with the common law and the provisions of the Business Corporations Act (British Columbia).

The Company and Williams Creek Gold Ltd. (formerly Williams Creek Explorations Ltd.) are shareholders in ATW Resources Ltd. ("ATW") which holds title in trust for the ATW prospect. The Company has a director in common with ATW.

During Fiscal 2007, the Company sold interests in certain mineral exploration prospects located in the Yukon Territory and Mexico for a total of 3,500,000 common shares of Tarsis Resources Ltd. ("Tarsis") and a 2% NSR. During Fiscal 2008, the Company received 500,000 common shares of Tarsis when one of the properties became subject to an option agreement with an arm's length third party. Also during Fiscal 2008, the Company sold its interest in the Prospector Mountain prospect in the Yukon Territory for 100,000 shares of Tarsis, a cash payment of

\$30,000 and a 2% NSR, half of which 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 positive bankable feasibility study for this prospect. During Fiscal 2013, the Company sold 100% interests in the BP and Black Jack Springs properties located in Nevada and the Yago, Mezquites, San Pedro and Llano Grande properties located in Mexico for 4,000,000 common shares of Tarsis and a 2% NSR. In addition, Tarsis must issue an additional 200,000 shares to the Company for each new property acquired within the area of influence and a further 800,000 shares upon the first time disclosure of a mineral resource on each and any of the new properties. At the end of Fiscal 2013, the Company has a 16.9% interest in Tarsis and one director and one officer in common. During Fiscal 2013, the Company charged Tarsis \$55,310 (Fiscal 2012 - \$56,519) for office rent and various expenses. These amounts were valued at the exchange amount agreed to by the parties.

## (a) Compensation of key management personnel

Key management includes members of the Board, the Chairman, the President and Chief Executive Officer and the Chief Financial Officer. Key management also included the Vice-President-Mining until Fiscal 2011. The aggregate compensation paid or payable to key management for services is as follows:

	February 28, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Salaries, fees and benefits	\$ 115,000 (i)	\$ 690,700(iii)	\$828,488 (v)	\$ 722,157(vii)
Share based compensation	285,000(ii)	340,250(iv)	1,468,500(vi)	3,883,250(viii)
Directors' fees	48,000	48,000	39,000	33,000
	\$448,000	\$1,078,950	\$2,335,988	\$4,638,407

- (i) Hawk Mountain Resources Ltd. ("Hawk Mountain"), a private company of which Duane Poliquin is a shareholder, was paid \$40,000 for geological services provided to the Company and is recorded in general exploration expenses.
- (ii) Comprised of 375,000 options granted pursuant to the Company's stock option plan during the period, all of which vested on the grant date. The value is based on the fair value of the awards (\$0.76) calculated using the Black-Scholes model at the January 2, 2014 grant date.
- (iii) Hawk Mountain was paid \$240,000 for geological services provided to the Company and is recorded in general exploration expenses.
- (iv) Comprised of 325,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 75,000 option-based awards is based on the fair value of the awards (\$1.17) calculated using the Black-Scholes model at the April 3, 2013 grant date. The value of 250,000 option-based awards is based on the fair value of the awards (\$1.01) calculated using the Black-Scholes model at the June 18, 2013 grant date.
- (v) Hawk Mountain was paid \$315,000 for geological services provided to the Company and is recorded in general exploration expenses.
- (vi) Comprised of 925,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 250,000 option-based awards is based on the fair value of the awards (\$1.32) calculated using the Black-Scholes model at the May 4, 2012 grant date. The value of 75,000 option-based awards is based on the fair value of the awards (\$1.34) calculated using the Black-Scholes model at the June 8, 2012 grant date. The value of 500,000 option-based awards is based on the fair value of the awards (\$1.76) calculated using the Black-Scholes model at the September 11, 2012 grant date. The value of 100,000 option-based awards is based on the fair value of the awards (\$1.58) calculated using the Black-Scholes model at the November 22, 2012 grant date.
- (vii) Hawk Mountain was paid \$268,500 for geological services provided to the Company and is recorded in general exploration expenses.
- (viii) Comprised of 2,025,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 1,825,000 option-based awards is based on the fair value of the awards (\$1.89) calculated using the Black-Scholes model at the June 8, 2011 grant date. The value of 200,000 option-based awards is based on the fair value of the awards (\$2.17) calculated using the Black-Scholes model at the August 15, 2011 grant date.

## (b) Other related party transactions

- (a) During the year ended December 31, 2013, the Company paid a company owned by Barry Smee \$1,500 (2012 - \$Nil; 2011 - \$5,000) for consulting services provided to the Company.
- (b) During the year ended December 31, 2013, the Company paid a company controlled by Mark T. Brown and his family \$700 (2012 - \$488; 2011 - \$1,325) for accounting services provided to the Company.

- (c) During the year ended December 31, 2013, an additional \$6,300 was paid to Hawk Mountain for marketing and general administrative services provided by the spouse of the Chairman (2012 - \$12,000; 2011 - \$30,475).
- (d) During the year ended December 31, 2013, the Company employed the Chairman's daughter for a salary of \$34,000 less statutory deductions (2012 - \$62,216; 2011 - \$29,358) for marketing and administrative services provided to the Company.

Other than as disclosed above, there have been no transactions or proposed transactions, which have materially affected or will materially affect the Registrant in which any director, executive officer, or beneficial holder of more than 10% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest. As stated above, management believes the transactions referenced above were on terms at least as favorable to the Company as the Company could have obtained from unaffiliated parties.

Item 8. Financial Information

The financial statements as required under Item 8 are attached hereto and found immediately following the text of this Annual Report.

Legal Proceedings

The Company knows of no material, active or pending legal proceedings against them; nor is the Company involved as a plaintiff in any material proceeding or pending litigation.

Dividends

The Company has not declared any dividends since inception and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain future earnings for use in its operations and the expansion of its business.

Significant Changes

There have been no significant changes of financial condition since the most recent audited financial statements included within this Annual Report on Form 20-F.

Item 9. Offer and Listing of Securities

The Company's common shares trade on The Toronto Stock Exchange ("TSX") in Toronto, Ontario, Canada having the symbol "AMM" and on the NYSE MKT (formerly the American Stock Exchange) in New York, New York, U.S.A. having the symbol "AAU" and CUSIP #020283107.

The Company's common shares commenced trading on February 11, 2002 on TSX and December 19, 2005 on the American Stock Exchange, now the NYSE MKT.

Table No. 12 lists the high and low prices for the shares of Almaden Minerals Ltd. common stock on NYSE MKT for the preceding five years. Table No. 13 lists the high and low prices for shares of Almaden Minerals Ltd. common stock on TSX for the preceding five years.

Table No. 12  
Almaden Minerals Ltd.  
Stock Trading Activity  
NYSE MKT  
(expressed in US\$)

Year Ended	High	Low
12/31/2013	\$3.25	\$1.03
12/31/2012	3.33	1.55
12/31/2011	5.35	2.00

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12/31/2010	5.03	0.86
12/31/2009	1.34	0.55

Table No. 13  
Almaden Minerals Ltd.  
Stock Trading Activity  
The Toronto Stock Exchange  
(expressed in C\$)

Year Ended	High	Low
12/31/2013	\$3.19	\$1.08
12/31/2012	3.31	1.56
12/31/2011	5.17	2.08
12/31/2010	5.15	0.88
12/31/2009	1.37	0.64

Table No. 14 lists the quarterly high and low prices for shares of Almaden Minerals Ltd. common stock on NYSE MKT for the two most recent full financial years. Table No. 15 lists the quarterly high and low prices for shares of Almaden Minerals Ltd. common stock on TSX for the two most recent full financial years.

Table No. 14  
Almaden Minerals Ltd.  
Stock Trading Activity  
NYSE MKT  
(expressed in US\$)

Quarter Ended	High	Low
12/31/2013	\$1.44	\$1.03
09/30/2013	2.08	1.32
06/30/2013	2.01	1.18
03/31/2013	3.25	1.85
12/31/2012	3.30	2.45
09/30/2012	3.06	1.55
06/30/2012	2.70	1.69
03/31/2012	3.33	2.33

Table No. 15  
Almaden Minerals Ltd.  
Stock Trading Activity  
The Toronto Stock Exchange  
(expressed in C\$)

Quarter Ended	High	Low
12/31/2013	\$1.49	\$1.08
09/30/2013	2.14	1.37
06/30/2013	2.05	1.22
03/31/2013	3.19	1.91
12/31/2012	3.25	2.35
09/30/2012	2.99	1.56
06/30/2012	2.67	1.76
03/31/2012	3.31	2.37



Table No.16 lists the high and low prices for shares of Almaden Minerals Ltd. common stock on NYSE MKT for the most recent six months. Table No. 17 lists the high and low prices for shares of Almaden Minerals Ltd. common stock on TSX for the most recent six months.

Table No. 16  
Almaden Minerals Ltd.  
Stock Trading Activity  
NYSE MKT  
(expressed in US\$)

Month Ended	High	Low
02/28/2014	\$1.84	\$1.38
01/31/2014	1.61	1.20
12/31/2013	1.17	1.03
11/30/2013	1.31	1.08
10/31/2013	1.44	1.22
09/30/2013	1.74	1.32

Table No. 17  
Almaden Minerals Ltd.  
Stock Trading Activity  
The Toronto Stock Exchange  
(expressed in C\$)

Month Ended	High	Low
02/28/2014	\$2.01	\$1.52
01/31/2014	1.77	1.30
12/31/2013	1.24	1.09
11/30/2013	1.37	1.08
10/31/2013	1.49	1.26
09/30/2013	1.84	1.37

The closing price of the Company's common stock was \$1.60 (US\$) on the NYSE MKT and \$1.77 (C\$) on TSX on February 28, 2014.

In recent years, securities markets in Canada and the U.S. have experienced a high level of price and volume volatility, and the market price of many resource companies, particularly those considered speculative exploration companies, have experienced wide fluctuations in price which have not necessarily been related to operating performance or underlying asset values on prospects of such companies. Exploration for gold and other minerals is considered high risk and highly speculative in the resource industry and the trading market for precious and base metal exploration companies is characteristically volatile, with wide fluctuations of price and volume only in part related to progress of exploration. There can be no assurance that continual fluctuations in the Company's share price and volume will not occur.

The Company's common stock is issued in registered form and the following information is from the Company's registrar and transfer agent, Computershare Investor Services Inc. located in Vancouver, British Columbia and Toronto, Ontario, Canada.

On February 28, 2014, the shareholders' list for the Company's common shares showed 144 registered shareholders and 64,578,331 shares outstanding. 119 of these registered shareholders are U.S. residents, owning 16,060,425 shares representing 25% of the issued and outstanding shares of common stock. 17 of these registered shareholders are Canadian residents, owning 48,484,860 shares representing 75% of the issued and outstanding shares of common stock. 8 of these registered shareholders are of other countries, owning 33,046 shares representing 0% of the issued

and outstanding shares of common stock.

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Table No. 18 lists changes, if any, in issued shares to March 28, 2014:

Table No. 18  
Shares Issued to March 28, 2014

	Number
Balance, December 31, 2013	64,578,321
Balance, March 28, 2014	64,578,321

#### Item 10. Additional Information

##### Flow-Through Shares

The Company's common shares are not normally flow-through shares but the Company has issued flow-through shares pursuant to private placements of the Company's common shares. There were no flow-through shares issued in Fiscal 2013 and Fiscal 2012. In Fiscal 2011, the Company issued 100,000 flow-through shares. Flow-through shares differ from other common shares in one aspect only, namely the tax benefits connected with the expenditures associated with the funds raised through the sale of flow through shares flow through to the shareholder rather than the Company; all other rights of the shareholder remain unchanged. Companies must specifically identify the expenditures associated with the funds raised through the sale of flow-through shares. Companies raising capital through flow-through shares must expend the funds on qualifying natural resources exploration in Canada. These tax benefits are available only to shareholders residing in Canada. Shareholders residing in the U.S. and other non-Canadian shareholders, receive no tax benefits through the purchase of flow-through shares.

##### Memorandum and Articles

At the Annual and Special General meeting of the Company held on May 18, 2005, shareholders passed appropriate resolutions to complete the transition procedures in accordance with the Business Corporations Act (British Columbia), (the "BCBCA"), to increase the number of common shares which the Company is authorized to issue to an unlimited number of common shares and to cancel the Company's Articles and adopt new Articles to take advantage of provisions of the BCBCA. The BCBCA was adopted in British Columbia on March 29, 2004 replacing the Company Act (the "Former Act"). The BCBCA requires the provisions formerly required in the Memorandum to be in the Articles. The BCBCA eliminates the requirement for a Memorandum.

The revised Articles were filed as an exhibit to the 2005 20-F Annual Report with the Commission on March 30, 2006.

The Articles replace the Memorandum and Articles as filed with the Commission on May 17, 2002.

##### Articles

The Company was formed through the amalgamation of Fairfield Minerals Ltd. and Almaden Resources Corporation effective December 31, 2001 under the Company Act of British Columbia (the "Company Act"). On March 29, 2004, British Columbia adopted the Business Corporations Act (British Columbia) (the "BCBCA") to replace the Company Act. Companies registered under the Company Act are required to transition to the BCBCA. At the Annual and Special General meeting of the Company held on May 18, 2005, shareholders passed appropriate resolutions to complete the transition procedures to cancel the Company's Articles and adopt new Articles, which includes an increase of the number of common shares which the Company is authorized to issue to an unlimited number of common shares. The Company's new Articles became effective in June 2005 (the "Articles").

The Articles contain no restrictions on the business the Company may carry on.

Under the Articles, if a director has a disclosable interest in a contract or transaction, such director is liable to account to the Company for any profits that accrue to the director as a result of the contract or transaction unless disclosure is made thereof and the contract or transaction is approved in accordance with the provisions of the BCBCA and a director is not entitled to vote on any director's resolution to approve that contract or transaction unless all of the directors have a disclosable interest in that contract or transaction, in which case all of those directors may vote on such resolution.

A director may hold any office or place of profit with the Company in conjunction with the office of director, and no director shall be disqualified by his office from contracting with the Company. A director or his firm may act in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services. A director may become a director or other officer or employee of, or otherwise interested in, any company or firm in which the Company may be interested as a shareholder or otherwise. The director shall not be accountable to the Company for any remuneration or other benefits received by him from such other company or firm unless the Company in general meeting directs otherwise.

Under the Articles the directors must manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers which are not required to be exercised by the shareholders, or as governed by the BCBCA. Under the Articles the directors may, by resolution, create and appoint one or more committees consisting of such member or members of their body as they think fit and may delegate to any such committee such powers of the Board as the Board may designate or prescribe.

The Articles provide that the quorum necessary for the transaction of the business of the directors may be fixed by the directors and if not so fixed shall be a majority of the directors. The continuing directors may, notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed pursuant to the Articles as the necessary quorum of directors, act only for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

The Articles provide that the directors may, on behalf of the Company:

- Borrow money in a manner and amount, on any security, from any source and upon any terms and conditions;
- Issue bonds, debentures, and other debt obligations either outright or as security for any liability or obligation of the Company or any other person;
- Guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- Mortgage, charge, or give other security, on the whole or any part of the property or assets of the Company, both present and future.

There are no age limit requirements pertaining to the retirement or non-retirement of directors.

A director need not be a shareholder of the Company.

The Articles provide for the mandatory indemnification of Directors, Officers, former officers and directors, alternate directors, as well as their respective heirs and personal or other legal representatives, or any other person, to the greatest extent permitted by the BCBCA. The indemnification includes the mandatory payment of expenses. The directors may cause the Company to purchase and maintain insurance for the benefit of eligible parties.

The rights, preferences and restrictions attaching to each class of the Company's shares are as follows:

#### Common Shares

The authorized share structure consists of an unlimited number of common shares without par value. All the shares of common stock of the Company are of the same class and, once issued, rank equally as to dividends, voting powers, and participation in assets. Holders of common stock are entitled to one vote for each share held of record on all matters to be acted upon by the shareholders. Holders of common stock are entitled to receive such dividends as may be declared from time to time by the Board of Directors, in its discretion, out of funds legally available therefore.

Upon liquidation, dissolution or winding up of the Company, holders of common stock are entitled to receive pro rata the assets of Company, if any, remaining after payments of all debts and liabilities. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds.

The Directors may by resolution make any changes in the authorized share structure as may be permitted under Section 54 of the BCBCA, and may by resolution of the Directors make or authorize the making of any alterations to the Articles and the notice of articles as may be required by such changes.

The Company may by ordinary resolution, create or vary special rights and restrictions as provided in Section 58 of the BCBCA. No alteration will be valid as to any part of the issued shares of any class unless the holders of all the issued shares of that class consent to the alteration in writing or consent by special separate resolution.

An annual general meeting shall be held once every calendar year at such time (not being more than 15 months after holding the last preceding annual meeting) and place as may be determined by the Directors. The Directors may, as they see fit, convene an extraordinary general meeting. An extraordinary general meeting, if requisitioned in accordance with the BCBCA, shall be convened by the Directors or, if not convened by the Directors, may be convened by the requisitionists as provided in the BCBCA.

There are no limitations upon the rights to own securities.

There are no provisions that would have the effect of delaying, deferring, or preventing a change in control of the Company.

There is no special ownership threshold above which an ownership position must be disclosed. However, any ownership level above 10% must be disclosed by news release and notices filed in accordance with Canadian Securities Laws and by notices to the Toronto Stock Exchange.

A copy of the Company's new articles was filed as an exhibit to the 2005 Form 20-F Annual Report with the Commission on March 30, 2006.

#### Shareholder Rights Plan

On April 13, 2011, the Company's Board of Directors adopted a Shareholder Rights Plan Agreement (the "Rights Plan") between the Company and Computershare Investor Services Inc. ("Computershare") as Rights Agent. The Rights Plan was subsequently approved by the shareholders of the Company at the Annual General and Special Meeting held June 28, 2011. The primary objective of the Rights Plan is to ensure, to the extent possible, that all shareholders of the Company are treated fairly in connection with any take-over bid for the Company by (a) providing shareholders with adequate time to properly assess a take-over bid without undue pressure and (b) providing the Board with more time to fully consider an unsolicited take-over bid, and, if applicable, to explore other alternatives to maximize shareholder value.

The full text of the Rights Plan was filed under cover Form 6-K with the Commission on April 15, 2011 and is available on SEDAR and the Company's website.

#### Advance Notice Policy

On January 28, 2013 the Company's Board of Directors approved and adopted an Advance Notice Policy (the "Policy") which, among other things, includes a provision that requires advance notice to the Company in circumstances where nominations of persons for election to the Board, of Directors are made by shareholders of the Company other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the Business Corporations Act (British Columbia) (the "Act"); or (ii) a shareholder proposal made pursuant to the provisions of the Act.

The Policy, among other things, fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.



In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The full text of the Advance Notice Policy is filed as an exhibit to the 2012 20F Annual Report with the Commission on March 28, 2013.

#### Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which we or any member of the group is a party, for the two years preceding the date of this document.

1. Advance Notice Policy dated January 28, 2013 whereby the Policy, among other things, includes a provision that requires advance notice to the Company in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Company. The full text of the Policy is filed as an exhibit to the 2012 20F Annual Report with the Commission on March 28, 2013.
2. Executive Compensation Contract dated effective as of January 29, 2013 between the Company and Hawk Mountain Resources Ltd. (“Hawk”) whereby Hawk agrees to provide the services of Duane Poliquin as Executive Chairman for a term of 2 years renewable for two additional successive terms of 24 months for remuneration of \$240,000 per annum. The full text of the Executive Compensation Contract is filed as an exhibit to the 2012 20F Annual Report with the Commission on March 28, 2013.
3. Executive Compensation Contract dated effective as of January 29, 2013 between the Company and Morgan Poliquin (“Poliquin”) whereby Poliquin agrees to provide the services of President and Chief Executive Officer for a term of 2 years renewable for two additional successive terms of 24 months for remuneration of \$265,000 per annum. The full text of the Executive Compensation Contract is filed as an exhibit to the 2012 20F Annual Report with the Commission on March 28, 2013.
4. Assignment of Rights Agreement dated March 11, 2013 between the Company’s wholly-owned subsidiary, Compania Minera Zapata, S.A. de C.V., and Don David Gold Mexico, S.A. de C.V. (“Don David”) whereby Don David purchased the Company’s 100% interest in the San Pedro and Fuego prospects by paying US\$100,000 plus Added Value Tax plus US\$16,555 being Don David’s pro-rata share of the mineral taxes paid on January 31, 2013 together with a 2% NSR. The full text of the Assignment of Rights Agreement is filed as an exhibit to the 2013 20F Annual Report with the Commission on March 28, 2014.
5. Sale and Purchase Agreement dated June 20, 2013 between the Company and its wholly-owned subsidiaries, Minera Gavilan, S.A. de C.V. and Almaden America Inc., and Tarsis Resources Ltd. (“Tarsis”) whereby Tarsis purchased the Company’s 100% interests in the Yago, Mezquites, Cofradia, Llano Grande, BP and Black Jack Springs prospects issuing 4,000,000 shares of Tarsis to the Company together with a 2% NSR. The full text of the Sale and Purchase Agreement was furnished to the Commission under cover of Form 6-K on June 20, 2013.
6. Amendment Agreement dated November 26, 2013 between the Company’s wholly-owned subsidiary, Minera Gavilan, S.A. de C.V., Candymin, S.A. de C.V. (“Candymin”) and Mr. Charlie Edward Warren (“Warren”) whereby the Company and Candymin obtained a reduction in a royalty with respect to the Caballo Blanco prospect for total payment to Warren of US\$750,000 (the Company US\$350,000/Candymin US\$400,000) and the Company issuing Warren 20,000 shares of the Company. The full text of the Amendment of Rights Agreement is filed as an exhibit to the 2013 20F Annual Report with the Commission on March 28, 2014.

#### Exchange controls

Except as discussed above, the Company is not aware of any Canadian federal or provincial laws, decrees or regulations that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of interest, dividends or other payments to non-Canadian holders of the common shares. There are no limitations on the right of non-Canadian owners to hold or vote the common shares imposed by Canadian federal or provincial law or by the charter or other constituent documents of the Company.

The Investment Canada Act (the "IC Act") governs acquisitions of Canadian business by a non-Canadian person or entity. The IC Act requires a non-Canadian (as defined in the IC Act) making an investment to acquire control of a Canadian business, the gross assets of which exceed certain defined threshold levels, to file an application for review with the Investment Review Division of Industry Canada. The IC Act provides, among other things, for a review of an investment in the event of acquisition of "control" in certain Canadian businesses in the following circumstances:

1. If the investor is a non-Canadian and is a national of a country belonging to the North American Free Trade Agreement ("NAFTA") and/or the World Trade Organization ("WTO") ("NAFTA or WTO National"), any direct acquisition having an asset value exceeding \$179,000,000 is reviewable. This amount is subject to an annual adjustment on the basis of a prescribed formula in the IC Act to reflect inflation and real growth within Canada. This threshold level does not apply in certain sections of Canadian industry, such as uranium, financial services (except insurance), transportation services and cultural services (i.e. the publication, distribution or sale of books, magazines, periodicals (other than printing or typesetting businesses), music in print or machine readable form, radio, television, cable and satellite services; the publication, distribution, sale or exhibition of film or video recordings on audio or video music recordings), to which lower thresholds as prescribed in the IC Act are applicable.
2. If the investor is a non-Canadian and is not a NAFTA or WTO National, any direct acquisition having an asset value exceeding \$5,000,000 and any indirect acquisition having an asset value exceeding \$50,000,000 is reviewable.
3. If the investor is a non-Canadian and is a NAFTA or WTO National, an indirect acquisition of control is reviewable if the value of the assets of the business located in Canada represents more than 50% of the asset value of the transaction or the business is involved in uranium, financial services, transportation services or cultural services (as set forth above).

Finally, certain transactions prescribed in the IC Act are exempted from review altogether.

In the context of the Company, in essence, three methods of acquiring control of a Canadian business are regulated by the IC Act: (i) the acquisition of all or substantially all of the assets used in carrying on business in Canada; (ii) the acquisition, directly or indirectly, of voting shares of a Canadian company carrying on business in Canada; or (iii) the acquisition of voting shares of an entity which controls, directly or indirectly, another entity carrying on business in Canada.

An acquisition of a majority of the voting shares of a Canadian entity, including a company, is deemed to be an acquisition of control under the IC Act. However, under the IC Act, there is a rebuttable presumption that control is acquired if one-third of the voting shares of a Canadian company or an equivalent undivided interest in the voting shares of such company are held by a non-Canadian person or entity. An acquisition of less than one-third of the voting shares of a Canadian company is deemed not to be an acquisition of control. An acquisition of less than a majority, but one-third or more, of the voting shares of a Canadian company is presumed to be an acquisition of control unless it can be established that, on the acquisition, the Canadian company is not, in fact, controlled by the acquirer through the ownership of voting shares. For partnerships, trusts, joint ventures or other unincorporated Canadian entities, an acquisition of less than a majority of the voting interests is deemed not to be an acquisition of control.

In addition, if a Canadian company is controlled by a non-Canadian, the acquisition of control of any other Canadian company by such company may be subject to the prior approval of the Investment Review Division, unless it can be established that the Canadian company is not in fact controlled by the acquirer through the ownership of voting shares.

Where an investment is reviewable under the IC Act, the investment may not be implemented unless it is likely to be of net benefit to Canada. If an applicant is unable to satisfy the Minister responsible for Industry Canada that the

investment is likely to be of net benefit to Canada, the applicant may not proceed with the investment. Alternatively, an acquirer may be required to divest control of the Canadian business that is the subject of the investment.

In addition to the foregoing, the IC Act provides for formal notification under the IC Act of all other acquisitions of control of Canadian businesses by non-Canadian investors. The notification process consists of filing a notification within 30 days following the implementation of an investment, which notification is for information, as opposed to review, purposes.

## Taxation

The following summary of the material Canadian federal income tax consequences generally applicable in respect of the common stock reflects the Company's opinion. The tax consequences to any particular holder of common stock will vary according to the status of that holder as an individual, trust, company or member of a partnership, the jurisdiction in which that holder is subject to taxation, the place where that holder is resident and, generally, according to that holder's particular circumstances. This summary is applicable only to holders who are resident in the U.S., have never been resident in Canada, deal at arm's length with the Company, hold their common stock as capital property and who will not use or hold the common stock in carrying on business in Canada. Special rules, which are not discussed in this summary, may apply to a U.S. holder that is an issuer that carries on business in Canada and elsewhere.

This summary is based upon the provisions of the Income Tax Act of Canada and the regulations thereunder (collectively, the "Tax Act" or "ITA") and the Canada-United States Tax Convention (the "Tax Convention") as at the date of the Registration Statement and the current administrative practices of Canada Revenue Agency. This summary does not take into account Provincial income tax consequences.

Each holder should consult his own tax advisor with respect to the income tax consequences applicable to him in his own particular circumstances.

### Certain Canadian Federal Income Tax Consequences

The discussion under this heading summarizes the principal Canadian federal income tax consequences of acquiring, holding and disposing of shares of common stock of the Company for a shareholder of the Company who is not a resident of Canada but is a resident of the U.S. and who will acquire and hold shares of common stock of the Company as capital property for the purposes of the Income Tax Act (Canada) (the "Canadian Tax Act"). This summary does not apply to a shareholder who carries on business in Canada through a "permanent establishment" situated in Canada or performs independent personal services in Canada through a fixed base in Canada if the shareholder's holding in the Company is effectively connected with such permanent establishment or fixed base. This summary is based on the provisions of the Canadian Tax Act and the regulations thereunder and on an understanding of the administrative practices of Canada Revenue Agency, and takes into account all specific proposals to amend the Canadian Tax Act or regulations made by the Minister of Finance of Canada as of the date hereof. It has been assumed that there will be no other relevant amendment of any governing law although no assurance can be given in this respect. This discussion is general only and is not a substitute for independent advice from a shareholder's own Canadian and U.S. tax advisors.

The provisions of the Canadian Tax Act are subject to income tax treaties to which Canada is a party, including the Canada-United States Income Tax Convention (1980), as amended (the "Convention").

### Dividends on Common Shares and Other Income

Under the Canadian Tax Act, a non-resident of Canada is generally subject to Canadian withholding tax at the rate of 25 percent on dividends paid or deemed to have been paid to him or her by a company resident in Canada. The Company is responsible for withholding of tax at the source. The Convention limits the rate to 15 percent if the shareholder is a resident of the U.S. and the dividends are beneficially owned by and paid to such shareholder, and to 5 percent if the shareholder is also a company that beneficially owns at least 10 percent of the voting stock of the payor company.

The amount of a stock dividend (for tax purposes) would generally be equal to the amount by which the paid up or stated capital of the Company had increased by reason of the payment of such dividend. The Company will furnish additional tax information to shareholders in the event of such a dividend. Interest paid or deemed to be paid on the Company's debt securities held by non-Canadian residents may also be subject to Canadian withholding tax,

depending upon the terms and provisions of such securities and any applicable tax treaty.

The Convention generally exempts from Canadian income tax dividends paid to a religious, scientific, literary, educational or charitable organization or to an organization constituted and operated exclusively to administer a pension, retirement or employee benefit fund or plan, if the organization is a resident of the U.S. and is exempt from income tax under the laws of the U.S.

#### Dispositions of Common Shares

Under the Canadian Tax Act, a taxpayer's capital gain or capital loss from a disposition of a share of common stock of the Company is the amount, if any, by which his or her proceeds of disposition exceed (or are exceeded by, respectively) the aggregate of his or her adjusted cost base of the share and reasonable expenses of disposition. The capital gain or loss must be computed in Canadian currency using a weighted average adjusted cost base for identical properties. There are special transitional rules to apply capital losses against capital gains that arose in different periods. The amount by which a shareholder's capital loss exceeds the capital gain in a year may be deducted from a capital gain realized by the shareholder in the three previous years or any subsequent year, subject to certain restrictions in the case of a corporate shareholder.

Under the Canadian Tax Act, a non-resident of Canada is subject to Canadian tax on taxable capital gains, and may deduct allowable capital losses, realized on a disposition of "taxable Canadian property." Shares of common stock of the Company will constitute taxable Canadian property of a shareholder at a particular time if the shareholder used the shares in carrying on business in Canada, or if at any time in the five years immediately preceding the disposition 25% or more of the issued shares of any class or series in the capital stock of the Company belonged to one or more persons in a group comprising the shareholder and persons with whom the shareholder and persons with whom the shareholder did not deal at arm's length and in certain other circumstances.

The Convention relieves U.S. residents from liability for Canadian tax on capital gains derived on a disposition of shares unless

- (a) the value of the shares is derived principally from "real property" in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production,
- (b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding, and at any time during the 10 years immediately preceding, the disposition and the shares were owned by him when he or she ceased to be resident in Canada, or
- (c) the shares formed part of the business property of a "permanent establishment" that the holder has or had in Canada within the 12 months preceding the disposition.

The Convention relieves U.S. residents from liability for Canadian tax on capital gains derived on a disposition of shares unless

- (a) the value of the shares is derived principally from "real property" in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production,
- (b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding, and at any time during the 10 years immediately preceding, the disposition and the shares were owned by him when he or she ceased to be resident in Canada, or
- (c) the shares formed part of the business property of a "permanent establishment" that the holder has or had in Canada within the 12 months preceding the disposition.

#### Certain U.S. Federal Income Tax Consequences

The following is a discussion of material U.S. federal income tax consequences generally applicable to a U.S. Holder (as defined below) of common shares of the Company. This discussion does not cover any state, local or foreign tax consequences.



The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (“the Code”), Treasury Regulations, published Internal Revenue Service (“IRS”) rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possible on a retroactive basis, at any time. In addition, the discussion does not consider the potential effects, both adverse and beneficial, or recently proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time. The following discussion is for general information only and it is not intended to be, nor should it be construed to be, legal or tax advice to any Holder or prospective holder and not an opinion or representation with respect to the U.S. Federal income tax consequences to any such Holder or prospective holder is made. The following summary was not written and is not intended to be used, and cannot be used, by any person for the avoidance of any penalties with respect to taxes that may be imposed on such person. Holders and prospective holders of common shares of the Company are urged to consult their own tax advisors about the federal, state, local, and foreign tax consequences of purchasing, owning and disposing of common shares of the Company.

#### U.S. Holders

As used herein, a U.S. Holder includes a holder of common shares of the Company who is a citizen or resident of the U.S., a company (or an entity which has elected to be treated as a company under Treasury Regulation Sections 301.7701-3) created or organized in or under the laws of the U.S. or of any political subdivision thereof, any estate other than a foreign estate (as defined in Section 7701(a)(31)(A) of the Code or, a trust subject to the primary supervision of a court within the U.S. and control of a U.S. fiduciary as described in Section 7701(a)(30)(E) of the Code). This summary does not address the tax consequences to, and U.S. Holder does not include, persons subject to special provisions of Federal income tax law, such as tax-exempt organizations, qualified retirement plans, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, broker-dealers, non-resident alien individuals, persons or entities that have a “functional currency” other than the U.S. dollar, shareholders who hold common shares as part of a straddle, hedging or conversion transaction, and shareholders who acquired their common shares through the exercise of employee stock options or otherwise as compensation for services. This summary is limited to U.S. Holders who own common shares as capital assets. This summary does not address the consequences to a person or entity holding an interest in a shareholder of the Company or the consequences to a person of the ownership, exercise or disposition of any options, warrants or other rights to acquire common shares of the Company.

#### Distribution on Common Shares of the Company

U.S. Holders receiving dividend distributions (including constructive dividends) with respect to common shares of the Company are required to include in gross income for U.S. federal income tax purposes the gross amount of such distributions equal to the U.S. dollar value of such distributions on the date of receipt (based on the exchange rate on such date), to the extent that the Company has current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder’s U.S. federal income tax liability or, alternatively, may be deducted in computing the U.S. Holder’s U.S. federal taxable income. (See more detailed discussion at “Foreign Tax Credit” below). To the extent that distributions exceed current or accumulated earnings and profits of the Company, they will be treated first as a return of capital up to the U.S. Holder’s adjusted basis in the common shares and thereafter as gain from the sale or exchange of the common shares. Dividend income will be taxed at marginal tax rates applicable to ordinary income while preferential tax rates for long-term capital gains are applicable to a U.S. Holder which is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder which is a company.

In the case of foreign currency received as a dividend that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Gain or loss may be recognized upon a subsequent sale or other disposition of the foreign currency, including the exchange for U.S. dollars.

Dividends paid on the common shares of the Company will not generally be eligible for the dividends received deduction provided to companies receiving dividends from certain U.S. companies. A U.S. Holder which is a company may, under certain circumstances, be entitled to a 70% deduction of the U.S. source portion of dividends received from the Company (unless the Company qualifies as a “foreign personal holding company” or a “passive foreign investment company”, as defined below) if such U.S. Holder owns shares representing at least 10% of the voting power and value of the Company. The availability of this deduction is subject to several complex limitations which are beyond the scope of this discussion.

#### Foreign Tax Credit

A U.S. Holder who pays (or has withheld from distributions) Canadian income tax with respect to the ownership of common shares of the Company may be entitled, at the option of the U.S. Holder, to either a deduction or a tax credit for such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit

reduces U.S. Federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer's income subject to tax. This election is made on a year-by-year basis and applies to all foreign income taxes (or taxes in lieu of income tax) paid by (or withheld from) the U.S. Holder during the year. There are significant and complex limitations which apply to the credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder's U.S. income tax liability that the U.S. Holder's foreign source income bears to his/her or its worldwide taxable income. The various items of income and deduction must be classified into foreign and domestic sources. Complex rules govern this classification process. In addition, this limitation is calculated separately with respect to specific classes of income such as "passive income", "high withholding tax interest", "financial services income", "shipping income", and certain other classifications of income. Dividends distributed by the Company will generally constitute "passive income" or, in the case of certain U.S. Holders, "financial services income" for these purposes. The availability of the foreign tax credit and the application of the limitations on the credit are fact specific and holders and prospective holders of common shares of the Company should consult their own tax advisors regarding their individual circumstances.

For individuals whose entire income from sources outside the U.S. consists of qualified passive income and whose total amount of creditable foreign taxes paid or accrued during the taxable year does not exceed \$300 (\$600 in the case of a joint return) and for whom an election is made under section 904(j), the general limitation on the foreign tax credit under section 904(a) does not apply.

#### Disposition of Common Shares of the Company

A U.S. Holder will recognize gain or loss upon the sale of common shares of the Company equal to the difference, if any, between (I) the amount of cash plus the fair market value of any property received, and (ii) the shareholder's tax basis in the common shares of the Company. Preferential tax rates apply to long-term capital gains of U.S. Holders which are individuals, estates or trusts. This gain or loss will be capital gain or loss if the common shares are capital assets in the hands of the U.S. Holder, which will be a short-term or long-term capital gain or loss depending upon the holding period of the U.S. Holder. Gains and losses are netted and combined according to special rules in arriving at the overall capital gain or loss for a particular tax year. Deductions for net capital losses are subject to significant limitations. For U.S. Holders which are not companies, any unused portion of such net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted, but individuals may not carry back capital losses. For U.S. Holders which are companies (other than companies subject to Subchapter S of the Code), an unused net capital loss may be carried back three years from the loss year and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

#### Other Considerations

In the following circumstances, the above sections of the discussion may not describe the U.S. federal income tax consequences resulting from the holding and disposition of common shares of the Company.

#### Passive Foreign Investment Company

As a foreign company with U.S. Holders, the Company could potentially be treated as a passive foreign investment company ("PFIC"), as defined in Section 1297 of the Code. Section 1297 of the Code defines a PFIC as a company that is not formed in the U.S. and, for any taxable year, either (i) 75% or more of its gross income is "passive income", which includes among other types of income, interest, dividends and certain rents and royalties or (ii) the average percentage, by fair market value (or, if the company is a controlled foreign company or makes an election, by adjusted tax basis), of its assets that produce or are held for the production of "passive income" is 50% or more.

The rule governing PFICs can have significant tax effects on U.S. shareholders of foreign companies who are subject to U.S. Federal income taxation under one of three alternative methods at the election of each such U.S. shareholder. As a PFIC, each U.S. shareholder's income or gain, with respect to a disposition or deemed disposition of the PFIC's shares or a distribution payable on such shares will generally be subject to tax at the highest marginal rates applicable to ordinary income and certain interest charges as discussed below, unless the U.S. shareholder has timely made a "qualified electing fund" election or a "mark-to-market" election for those shares.

Under one method, a U.S. shareholder who elects in a timely manner to treat the PFIC as a Qualified Electing Fund ("QEF"), as defined in the Code, (an "Electing U.S. Holder") will be required to currently include in his income for any taxable year in which the company qualifies as a PFIC his pro-rata share of the company's (i) "net capital gain" (the excess of net long-term capital gain over net short-term capital loss), which will be taxed as long-term capital gain to the Electing U.S. Holder, and (ii) "ordinary earnings" (the excess of earnings and profits over net capital gain), which will be taxed as ordinary income to the Electing U.S. Holder, in each case, for the U.S. Holder's taxable year in which (or with which) the Company's taxable year ends, regardless of whether such amounts are actually distributed. A QEF election also allows the Electing U.S. Holder to (i) generally treat any gain realized on the disposition of his common shares (or deemed to be realized on the pledge of his common shares) as capital gain; (ii) treat his share of the company's net capital gain, if any, as long-term capital gain instead of ordinary income, and (iii) either avoid interest charges resulting from PFIC status altogether (see discussion of interest charge below), or make an annual

election, subject to certain limitations, to defer payment of current taxes on his share of the company's annual realized net capital gain and ordinary earnings which will then be subject, however, to an interest charge.

The procedure a U.S. Holder must comply with in making a timely QEF election will depend on whether the year of the election is the first year in the U.S. Holder's holding period in which the Company is a PFIC. If the U.S. shareholder makes a QEF election in such first year, (sometimes referred to as a "Pedigreed QEF Election"), then the U.S. shareholder may make the QEF election by simply filing the appropriate documents at the time the U.S. Holder files its tax return for such first year. If, however, the company qualified as a PFIC in a prior year during the U.S. shareholder's holding period, then the U.S. shareholder may make a retroactive QEF election, provided he has preserved his right to do so under the protective statement regime or he obtains IRS permission.

If a U.S. shareholder has not made a QEF Election at any time (a "Non-electing U.S. Holder"), then special taxation rules under Section 1291 of the Code will apply to (i) gains realized on the disposition (or deemed to be realized by reason of a pledge) of his common shares and (ii) certain "excess distributions" by the company. An excess distribution is a current year distribution received by the U.S. shareholder on PFIC stock to the extent that the distribution exceeds its ratable portion of 125% of the average amount received by the U.S. shareholder during the preceding three years.

A Non-electing U.S. shareholder generally would be required to pro-rate all gains realized on the disposition of his common shares and all excess distributions over the entire holding period for the common shares. All gains or excess distributions allocated to prior years of the U.S. shareholder (other than years prior to the first taxable year of the Company during such U.S. Holder's holding period and beginning after January 1, 1987 for which it was a PFIC) would be taxed at the highest marginal tax rate for each such prior year applicable to ordinary income. The Non-electing U.S. shareholder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year. A Non-electing non-corporate U.S. shareholder must treat this interest charge as "personal interest" which is wholly non-deductible. The balance of the gain or the excess distribution will be treated as ordinary income in the year of the disposition or distribution, and no interest charge will be incurred with respect to such balance.

If a company is a PFIC for any taxable year during which a Non-electing U.S. shareholder holds common shares, then the company will continue to be treated as a PFIC with respect to such common shares, even if it is no longer by definition a PFIC. A Non-electing U.S. shareholder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules discussed above for Non-Electing U.S. Holders) as if such common shares had been sold on the last day of the last taxable year for which it was a PFIC. If the company no longer qualifies as a PFIC in a subsequent year, then normal Code rules and not the PFIC rules will apply with respect to a U.S. shareholder who has made a Pedigreed QEF election.

If a U.S. shareholder makes a QEF Election that is not a Pedigreed Election (i.e., it is made after the first year during which the company is a PFIC and the U.S. shareholder holds shares of the company) (a "Non-Pedigreed Election"), the QEF rules apply prospectively but do not apply to years prior to the year in which the QEF first becomes effective. U.S. Holders are encouraged to consult their tax advisors regarding the specific consequences of making or not making a QEF Election.

Under an alternative method, U.S. Holders who hold (actually or constructively) marketable stock of a PFIC may elect to mark such stock to the market annually (a "mark-to-market election"). If such an election is made, such U.S. Holder will generally not be subject to the special taxation rules of Section 1291 discussed above. However, if the mark-to-market election is made by a Non-Electing U.S. Holder after the beginning of the holding period for the PFIC stock, then the Section 1291 rules will apply to certain dispositions of, distributions on and other amounts taxable with respect to the Company common shares. A U.S. Holder who makes the mark-to-market election will include in income for each taxable year for which the election is in effect an amount equal to the excess, if any, of the fair market value of the common shares of the Company as of the close of such tax year over such U.S. Holder's adjusted basis in such common shares. In addition, the U.S. Holder is allowed a deduction for the lesser of (i) the excess, if any, of such U.S. Holder's adjusted tax basis in the common shares over the fair market value of such shares as of the close of the tax year, or (ii) the excess, if any, of (a) the mark-to-market gains for the common shares in the Company included by such U.S. Holder for prior tax years, including any amount which would have been treated as a mark-to-market gain for any prior tax year but for the Section 1291 rules discussed above with respect to Non-Electing U.S. Holders, over (b) the mark-to-market losses for shares that were allowed as deductions for prior tax years. A U.S. Holder's adjusted tax basis in the common shares of the Company will be adjusted to reflect the amount included in or deducted from income as a result of a mark-to-market election. A mark-to-market election applies to the taxable year in which the election is made and to each subsequent taxable year, unless the Company's common shares cease to be marketable, as

specifically defined, or the IRS consents to revocation of the election. U.S. Holders should consult their tax advisors regarding the manner of making such an election.

#### Controlled Foreign Company

If more than 50% of the total combined voting power of all classes of stock entitled to vote or more than 50% of the total value of the stock of the Company is owned, directly, indirectly or constructively, by U.S. Holders, each of whom own actually or constructively 10% or more of the total combined voting power of all classes of stock of the Company, the Company would be treated as a “controlled foreign company” or “CFC” under Subpart F of the Code. This classification would effect many complex results, one of which requires such 10% U.S. Holders (a U.S. Holder for CFC purposes) to include in their income their pro rata shares of the Subpart F income of the CFC and the CFC’s earnings invested in U.S. property. The foreign tax credit described above may reduce the U.S. tax on these amounts. In addition, under Section 1248 of the Code, gain from the sale or exchange of shares by a U.S. Holder of common shares of the Company which is or was a U.S. Shareholder at any time during the five-year period ending with the sale or exchange will be treated as dividend income to the extent of earnings and profits of the Company (accumulated only while the shares were held by the U.S. Shareholder and while the Company was a CFC attributable to the shares sold or exchanged. If a foreign company is both a PFIC and a CFC, the foreign company generally will not be treated as a PFIC with respect to certain 10% U.S. Shareholders of the CFC. This rule generally will be effective for taxable years of U.S. Shareholders beginning after 1997 and for taxable years of foreign company’s ending with or within such taxable years of U.S. Shareholders. The PFIC provisions continue to apply in the case of a PFIC that is also a CFC with respect to the U.S. Holders that are less than 10% shareholders. Because of the complexity of Subpart F, a more detailed review of these rules is outside of the scope of this discussion.

#### Information Reporting and Backup Withholding

In general, unless a U.S. Holder belongs to a category of certain exempt recipients (such as corporations), information reporting requirements will apply to distributions as well as proceeds of sales from the sale of shares of the Company that are effected through the U.S. office of a broker or the non-U.S. office of a broker that has certain connections with the United States. Backup withholding may apply to these payments if a U.S. Holder fails to provide a correct taxpayer identification number or certification of exempt status, fails to report in full dividend and interest income or, in certain circumstances, fails to comply with applicable certification requirements. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a U.S. Holder’s U.S. federal income tax, provided the U.S. Holder furnishes the required information to the IRS in a timely manner. Other filing requirements may also apply. U.S. Holders should consult with their own tax advisors concerning their particular reporting requirements.

#### Documents on Display

Any of the documents referred to above can be viewed at the registered office of the Company located at 1177 West Hastings Street, Suite 1710, Vancouver, British Columbia, Canada, V6E 2L3.

This Annual Report and the Company’s recent 6-K filings can be viewed on the U.S. Securities and Exchange EDGAR web-site at [www.sec.gov](http://www.sec.gov).

#### Item 11. Quantitative and Qualitative Disclosures about Market Risk

Some of the Company’s mineral exploration properties are located outside of Canada. As a Canadian company, Almaden’s cash balances are kept primarily in Canadian funds, while many exploration and property expenses are denominated in U.S. dollars or the Mexican peso. Therefore, the Company is exposed to some exchange rate risk. The Company considers the amount of risk to be manageable and does not currently, nor is likely in the foreseeable future to, conduct hedging to reduce its exchange rate risk. A 10% change in the U.S. dollar exchange rate relative to the Canadian dollar would change the Company’s net income by \$57,000. A 10% change in the Mexican peso exchange rate relative to the Canadian dollar would change the Company’s net income by \$6,000.





Item 12. Description of Securities Other than Equity Securities

Not Applicable

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not Applicable

Item 14. Material Modifications to the Rights of Securities Holders and Use of Proceeds

Not Applicable

Item 15. Controls and Procedures

Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended, or “Exchange Act”) as of December 31, 2013. This evaluation was conducted under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2013, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the rules and forms. We also concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management’s Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process designed by, or under the supervision of, the Company’s principal executive and principal financial officers 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 IFRS as issued by IASB.

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.

The Company’s management’s assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2013. In making this assessment, the Company’s management used criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework published in 1992. Based on its assessment, management concluded that, as of December 31, 2013, the Company’s internal control over financial reporting was effective.

The Company's internal control over financial reporting as of December 31, 2013 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who also audited the Company's Consolidated Financial Statements for the year ended December 31, 2013 and as stated in the Report of Independent Registered Public Accounting Firm, as included herein, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

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#### Attestation Report of Independent Registered Public Accounting Firm

The Independent Registered Public Accounting Firm, Deloitte LLP, who audited the Company's annual financial statements for the year ended December 31, 2013, have issued an attestation report on the Company's Internal Control Over Financial Reporting as included in the financial statements included with this Annual Report on Form 20-F.

#### Changes in Internal Control Over Financial Reporting

For the three months ended March 31, 2013, subsequent to the issuance of the Company's Form 20-F for the year ended December 31, 2012, management identified an adjustment with respect to the amount recorded for the gain on investment in associate recorded for the year ended December 31, 2012. Management assessed the adjustment and concluded that the financial statements for the year ended December 31, 2012 were not materially misstated and recorded this adjustment during the three months ended March 31, 2013. Management believes that the adjustment resulted from a material weakness in the execution of its internal controls over financial reporting that existed at December 31, 2012 that had not been previously identified. Subsequent to December 31, 2012, we have implemented a number of remediation measures to address such material weakness. Such measures include additional procedures to more formally review the amount recorded as gain (loss) on investment in associate, working with management of the associate and its auditor to have the audit of its financial statements for the year ended December 31, 2013 completed concurrently with the audit of the Company's financial statements for the year ended December 31, 2013. Management believes that, as a result of these changes, the material weakness that was identified no longer exists. Management will continue to monitor vigorously the effect of our processes, controls and procedures and will make any further changes determined to be appropriate. Except as noted herein, there have been no change in the Company's internal control over financial reporting that occurred during Fiscal 2013 that has materially affected, or that is reasonably likely to materially affect, the Company's internal control over financial reporting.

#### Item 16A. Audit Committee Financial Expert

The Company's Board of Directors has determined that Mr. Joseph Montgomery is the Company's audit committee financial expert. Mr. Montgomery has extensive business and financial experience. He has served as a director of a number of other publicly traded companies over the past 25 years, and currently serves as a director of two other publicly traded mineral exploration companies. Mr. Montgomery is independent as defined by Section 803(B) of the NYSE MKT Listing Standards.

#### Item 16B. Code of Ethics

The Company adopted several codes of conduct, including a Code of Business Ethics, a Code of Business Conduct Ethics for Directors, a Communications Policy and an Audit Committee Charter. These initial codes were filed with the 20-F Annual Report for the fiscal year ended December 31, 2003 as filed with the U.S. Securities and Exchange Commission on May 11, 2004. After review, the Company has adopted revised and new codes as follow: Audit Committee Charter, Nominating and Corporate Governance Committee-Responsibilities and Duties, Compensation Committee-Responsibilities and Duties, Code of Business Ethics, Code of Business Conduct and Ethics for Directors, Communications Policy, Securities Trading Policy, Whistleblowers Policy and a Privacy Policy (the "Codes"). The Codes may be viewed on the Company's website at [www.almadenminerals.com](http://www.almadenminerals.com). The Codes may also be viewed as filed on EDGAR as an exhibit to the 2005 20-F Annual Report filed with the Commission on March 30, 2006. Any amendments to the Codes or waivers of the provision of any Codes will be posted on the Company's website within 5 business days of such amendment or waiver.

The Company has adopted a Code of Business Conduct and Ethics for Directors ("Code"), a Code of Business Ethics ("COBE"), a Securities Trading Policy and a Privacy Policy. Employees and consultants are required as a term of employment to undertake to abide by the COBE. Directors are by law bound to observe the Code adopted by the Board.

All Directors, Officers and Employees (“Individuals”) sign an Annual Certification (“Certification”) stating they have read the Code of Business Ethics policy (“Policy”) of the Company and have complied with such Policy in all respects. The Certification further acknowledges that all members of the Individual’s family, all other persons who live with the Individual and all holding companies and other related entities of the Individual and all such persons or companies acting on behalf of or at the request of any of the foregoing also complied with such Policy. The Certification also states that any violation of such Policy may constitute grounds for immediate suspension or dismissal.

Each director is expected and required by statute to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances and in accordance with the Business Corporations Act (British Columbia) and the Company's Articles.

Item 16C. Principal Accountant Fees and Services

Audit Committee's pre-approval policies and procedures

The Audit Committee nominates and engages the independent auditors to audit the financial statements, and approves all audit services, audit-related services, tax services and other services provided by Deloitte LLP. Any services provided by Deloitte LLP that are not specifically included within the scope of the audit must be preapproved by the audit committee prior to any engagement. The audit committee is permitted to approve certain fees for audit-related services, tax services and other services before the completion of the engagement. In Fiscal 2013 and 2012, tax services paid to Deloitte LLP were pre-approved by the audit committee.

Table No. 19 lists the aggregate fees billed or estimated for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Company's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

	2013	2012
Audit fees	\$141,775	\$157,407
Audit-related fees	10,625	39,823
Tax fees	51,314	115,317
Other fees	-	-

Fiscal 2013 and Fiscal 2012 audit fees relate to the annual audit of the Company's consolidated financial statements, effectiveness of the Company's internal control over financial reporting and review of the Form 20-F. Audit-related fees relate to accounting advisory services. Tax fees relate to the completion of income tax returns and tax consulting services. Other fees relate to services other than audit fees, audit-related fees, and tax fees described above.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

The Company's class of common shares is listed on the NYSE MKT and the Toronto Stock Exchange. Under the rules of the NYSE MKT, listed companies are generally required to have a majority of their Board of Directors be "independent" as defined by the NYSE MKT Company Guide Rules. Currently, as permitted under applicable Canadian regulations, the Company's Board consists of 8 directors, of which 4 are considered to be "independent." However, the NYSE MKT rules provide an exemption for companies which have Boards comprised of only 50% "independent"

directors, provided that such companies, as of the end of the second quarter of their preceding fiscal year, met the definition of “smaller reporting companies” under the SEC’s rules. The Company qualifies for such exemption. Furthermore, under the NYSE MKT rules a “foreign private issuer” such as the Company may, subject to certain conditions, follow Canadian practice with respect to, among other things, the relative independence of its Board.

Other than in the composition of the Board of Directors as described above, in the opinion of management the Company's corporate governance practices do not differ in any significant way from those required of U.S. domestic companies listed on the NYSE MKT.

Item 16H. Mine Safety Disclosure  
Not applicable.

### PART III

Item 17. Financial Statements

The Company's consolidated financial statements and notes thereto are stated in Canadian Dollars (CDN\$) and are prepared in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Item 18. Financial Statements

The Company has provided financial statements pursuant to Item 17.

Item 19. Exhibits

A. The financial statements and notes thereto as required under Item 17 are attached hereto and found immediately following the text of this Annual Report.

#### Audited Financial Statements

Independent registered Public Accounting Firm report on the consolidated financial statements, dated March 28, 2014  
Report of Independent registered Public Accounting Firm on internal control over financial reporting dated March 28, 2014

Consolidated statements of financial position at December 31, 2013 and 2012

Consolidated statements of comprehensive loss for the years ended December 31, 2013, 2012 and 2011

Consolidated statements of changes in equity for the years ended December 31, 2013, 2012 and 2011

Consolidated statements of cash flows for the years ended December 31, 2013, 2012 and 2011

Summary of significant accounting policies and other explanatory information

#### B. Index to Exhibits

##### 1. Certificate of Amalgamation

Amalgamation Agreement

--Incorporated by reference to the Company's Form 20-F Annual Report for the year ended December 31, 2001, as filed with the Commission on May 17, 2002--

##### 1.1 Articles

--Incorporated by reference to the Company's Form 20-F Annual Report for the year ended December 31, 2005, as filed with the Commission on March 30, 2006--  
as filed with the Commission on March 30, 2006--

##### 2. Instruments defining the rights of holders of equity or debt securities being registered

--Refer to Exhibit No. 1--

##### 3.



Voting trust agreements . The Voting Trust Agreement dated December 17, 2009 between Ernesto Echavarria, as grantor, and Messrs Duane and Morgan Poliquin, as voting trustees.

4. Executive Compensation Contract dated January 29, 2013 with Hawk Mountain Resources Ltd.  
--Incorporated by reference to the Company's Form 20-F for the year ended December 31, 2012 furnished with the Commission on March 28, 2013--  
Executive Compensation Contract dated January 29, 2013 with Morgan Poliquin  
--Incorporated by reference to the Company's Form 20-F for the year ended December 31, 2012 furnished with the Commission on March 28, 2013--

- 4.1 Assignment of Rights Agreement dated March 11, 2013 with Don David Gold Mexico, S.A. de C.V.  
Sale and Purchase Agreement dated June 20, 2013 with Tarsis Resources Ltd.  
--Incorporated by reference to the Form 6-K furnished with the Commission on June 20, 2013--
- 4.2 Amendment Agreement dated November 26, 2013 with Candymin, S.A. de C.V. and Mr. Charlie Warren
5. List of foreign patents – N/A
6. Calculation of earnings per share – N/A
7. Explanation of calculation of ratios – N/A
8. List of subsidiaries
9. Statement pursuant to the instruction to Item 8.A.4, regarding the financial statement filed in registration  
Statements for initial public offerings of securities – N/A
10. Any notice required by Rule 104 of Regulation BTR – N/A
- 11 Audit Committee Charter  
Nominating and Corporate Governance Committee-Duties and Responsibility  
Compensation Committee-Responsibilities and Duties  
Code of Business Ethics  
Code of Business Conduct and Ethics for Directors  
Communications Policy  
Securities Trading Policy  
Whistleblower Policy  
Privacy Policy  
--Incorporated by reference to the Company's Form 20-F Annual Report for the year ended December 31, 2005, as filed with the Commission on March 30, 2006  
Shareholder Rights Plan dated April 13, 2011  
--Incorporated by reference to the Form 6-K furnished with the Commission on April 15, 2011--  
Advance Notice Policy dated January 28, 2013  
--Incorporated by reference to the Company's Form 20-F for the year ended December 31, 2012 furnished with the Commission on March 28, 2013--
- 12.1 Certification of CEO Pursuant to Securities Exchange Act, Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 12.2 Certification of CFO Pursuant to Securities Exchange Act, Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 13.1 Certification of CEO Pursuant to the Sarbanes-Oxley Act, 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 13.2 Certification of CFO Pursuant to the Sarbanes-Oxley Act, 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



Consolidated financial statements of

Almaden Minerals Ltd.

For the year ended December 31, 2013

Almaden Minerals Ltd.  
December 31, 2013

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#### Report of Independent Registered Public Accounting Firm

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, 2013 and December 31, 2012, and the consolidated statements of comprehensive (loss) income, statements of changes in equity, and statements of cash flows for each of the years in the three-year period ended December 31, 2013, 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, 2013 and December 31, 2012 and their financial performance and cash flows for each of the years in the three-year period ended December 31, 2013 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, 2013, based on the criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 28, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

(Signed) Deloitte LLP

Chartered Accountants  
March 28, 2014  
Vancouver, Canada



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Report of Independent Registered Public Accounting Firm

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, 2013, based on the criteria established in Internal Control—Integrated Framework (1992) 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 International Financial Reporting Standards as issued by the International Accounting Standards Board. 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 International Financial Reporting Standards as issued by the International Accounting Standards Board, 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, 2013, based on the criteria established in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Company and our report dated March 28, 2014 expressed an unqualified opinion on those financial statements.

(Signed) Deloitte LLP

Chartered Accountants  
March 28, 2014  
Vancouver, Canada

Almaden Minerals Ltd.  
 Consolidated statements of financial position  
 (Expressed in Canadian dollars)

	December 31, 2013	December 31, 2012
	\$	\$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents (Note 15)	11,994,773	16,487,408
Accounts receivable and prepaid expenses (Note 4)	445,122	1,571,629
Marketable securities (Note 5)	1,058,661	2,201,808
Inventory (Note 6)	274,768	274,768
	13,773,324	20,535,613
Non-current assets		
Investment in associate (Note 7)	9,447,497	10,266,386
Exploration and evaluation assets deposit (Note 10(e)(vi))	138,929	138,929
Reclamation deposit (Note 3(m))	33,264	33,264
Contingent shares receivable (Note 8)	44,700	238,200
Property, plant and equipment (Note 9)	1,103,070	1,310,474
Exploration and evaluation assets (Note 10)	24,447,149	16,609,450
	35,214,609	28,596,703
<b>TOTAL ASSETS</b>	<b>48,987,933</b>	<b>49,132,316</b>
<b>LIABILITIES</b>		
Current liabilities		
Trade and other payables	1,097,158	1,060,829
<b>EQUITY</b>		
Share capital (Note 11)	81,151,042	75,237,977
Reserves (Note 11)	10,210,168	9,947,336
Deficit	(43,470,435)	(37,113,826)
	47,890,775	48,071,487
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>48,987,933</b>	<b>49,132,316</b>
Commitments (Note 17)		

These consolidated financial statements are authorized for issue by the Board of Directors on March 28, 2014.  
 They are signed on the Company's behalf by:

/s/Duane Poliquin  
 Director

/s/Joseph Montgomery  
 Director

## Almaden Minerals Ltd.

Consolidated statements of comprehensive (loss) income  
(Expressed in Canadian dollars)

	Years ended December 31,		
	2013	2012	2011
	\$	\$	\$
Revenue			
Interest income	165,474	173,302	161,664
Other income	54,958	125,865	87,048
	220,432	299,167	248,712
Expenses (income)			
Impairment of exploration and evaluation assets	371,038	1,268,856	318,847
General and administrative expenses (Note 21)	2,154,278	2,330,965	2,096,097
Loss (income) on exploration and evaluation assets (Note 13)	716,006	(47,500 )	(15,072,485)
General exploration expenses	707,542	969,470	961,992
Share-based payments	381,950	1,716,250	4,930,700
	4,330,814	6,238,041	(6,764,849 )
Operating (loss) income	(4,110,382)	(5,938,874 )	7,013,561
Other (loss) income			
(Loss) gain on investment in associate (Note 7)	(818,889 )	86,963	1,286,740
Loss on dilution of equity investments (Note 7)	-	-	(122,843 )
Impairment of marketable securities (Note 5)	(1,274,743)	(3,856,819 )	(987,600 )
Loss on fair-value of contingent share receivable (Note 8)	(193,500 )	(424,500 )	-
Gain on sale of marketable securities	19,509	12,275	149,069
Gain (loss) on sale of property, plant and equipment	-	3,051	(9,374 )
Foreign exchange gain (loss)	21,396	(120,473 )	(54,695 )
(Loss) income before income taxes	(6,356,609)	(10,238,377)	7,274,858
Income tax recovery (Note 16)	-	-	20,000
Net (loss) income for the year	(6,356,609)	(10,238,377)	7,294,858
Other comprehensive (loss) income			
Items that may be reclassified subsequently to profit or loss			
Net change in fair value of available-for-sale financial assets, net of tax of nil	(84,585 )	(2,341,238 )	(2,661,274 )
Reclassification adjustment relating to available-for-sale financial assets included in net (loss) income, net of tax of nil	(5,763 )	4,334,680	839,572
Other comprehensive (loss) income for the year	(90,348 )	1,993,442	(1,821,702 )
Total comprehensive (loss) income for the year	(6,446,957)	(8,244,935 )	5,473,156
Basic net (loss) income per share (Note 14)	(0.10 )	(0.17 )	0.13
Diluted net (loss) income per share (Note 14)	(0.10 )	(0.17 )	0.12



Almaden Minerals Ltd.  
Consolidated statements of cash flows  
(Expressed in Canadian dollars)

	Years ended December 31,		
	2013	2012	2011
	\$	\$	\$
Operating activities			
Net (loss) income for the year	(6,356,609 )	(10,238,377)	7,294,858
Items not affecting cash			
Deferred income tax recovery	-	-	(20,000 )
Loss (gain) on investment in associate	818,889	(86,963 )	(1,286,740 )
Loss on dilution of equity investment	-	-	122,843
Depreciation	303,390	325,995	271,061
Gain on sale of marketable securities	(19,509 )	(12,275 )	(149,069 )
Loss on fair value of contingent share receivable	193,500	424,500	-
Impairment of marketable securities	1,274,743	3,856,819	987,600
Loss (income) on exploration and evaluation assets	716,006	(47,500 )	(15,067,486)
Impairment of exploration and evaluation assets	371,038	1,268,856	318,847
Share-based payments	381,950	1,716,250	4,930,700
(Gain) loss on sale of property, plant and equipment	-	(3,051 )	9,374
Changes in non-cash working capital components			
Accounts receivable and prepaid expenses	651,833	(423,223 )	(610,006 )
Trade and other payables	36,329	495,732	(213,672 )
Deferred exploration advances payable	-	-	(156,956 )
Net cash used in operating activities	(1,628,440 )	(2,723,237 )	(3,568,646 )
Investing activities			
Reclamation deposit	-	96,500	(5,000 )
Short term investment	-	-	2,000,000
Net proceeds from sale of marketable securities	22,565	4,435,757	579,783
Property, plant and equipment			
Purchases	(95,986 )	(395,018 )	(678,274 )
Net proceeds	-	7,143	15,022
Assets classified as held for sale	-	-	(182,713 )
Mineral properties			
Costs	(8,253,489 )	(7,407,896 )	(6,197,667 )
Net proceeds on disposal	127,420	30,000	5,871,380
Net cash (used in) from investing activities	(8,199,490 )	(3,233,514 )	1,402,531
Financing activity			
Issuance of shares, net of share issue costs	5,335,295	1,260,000	7,262,442

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Net cash from financing activity	5,335,295	1,260,000	7,262,442
Net cash (outflows) inflows	(4,492,635 )	(4,696,751 )	5,096,327
Cash and cash equivalents, beginning of year	16,487,408	21,184,159	16,087,832
Cash and cash equivalents, end of year	11,994,773	16,487,408	21,184,159
Supplemental cash and cash equivalents information - Note 15			

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Almaden Minerals  
Ltd.  
Consolidated  
statements of  
changes in equity  
(Expressed in  
Canadian dollars)

	Share capital	Reserves		Available-for-	Total	Deficit	Total	
	Number of	Equity settled	Warrants	sale financial	reserves			
	shares	employee		assets				
		Amount						
		\$	\$	\$		\$	\$	
Balance, January 1, 2011	55,500,822	62,853,930	6,152,073	888,046	(29,868)	7,010,251	(34,170,307)	35,693,874
Shares issued for cash on exercise of stock options	2,030,000	4,922,900	-	-	-	-	-	4,922,900
Fair value of share options transferred to share capital on exercise of options	-	2,546,300	(2,546,300)	-	-	(2,546,300)	-	-
Share-based payments	-	-	4,930,700	-	-	4,930,700	-	4,930,700
Private placements and other	110,000	386,243	-	-	-	-	-	386,243
Shares issued for cash on exercise of warrants	1,481,499	1,933,299	-	-	-	-	-	1,933,299
Fair value of warrants transferred to share capital on exercise of warrants	-	711,305	(711,305)	-	-	(711,305)	-	-
Total comprehensive (loss) income for the year	-	-	-	-	(1,821,702)	(1,821,702)	7,294,858	5,473,156
Balance, December 31, 2011	59,122,321	73,353,977	8,536,473	176,741	(1,851,570)	6,861,644	(26,875,449)	53,340,172
Shares issued for cash on exercise of stock options	600,000	1,260,000	-	-	-	-	-	1,260,000
Fair value of share options transferred to share capital								

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on exercise of options	-	624,000	(624,000)	-	-	(624,000)	-	-
Share-based payments	-	-	1,716,250	-	-	1,716,250	-	1,716,250
Total comprehensive loss for the year	-	-	-	-	1,993,442	1,993,442	(10,238,377)	(8,244,935)
Balance, December 31, 2012	59,722,321	75,237,977	9,628,723	176,741	141,872	9,947,336	(37,113,826)	48,071,487
Shares issued for cash on exercise of stock options	220,000	223,550	-	-	-	-	-	223,550
Fair value of share options transferred to share capital on exercise of options	-	136,650	(136,650)	-	-	(136,650)	-	-
Share-based payments	-	-	381,950	-	-	381,950	-	381,950
Private placements and other	4,386,000	5,015,365	-	-	-	-	-	5,015,365
Finder's warrant issued pursuant to private placement	-	-	-	107,880	-	107,880	-	107,880
Shares issued pursuant to property acquisition agreement	250,000	537,500	-	-	-	-	-	537,500
Total comprehensive loss for the year	-	-	-	-	(90,348)	(90,348)	(6,356,609)	(6,446,957)
Balance, December 31, 2013	64,578,321	81,151,042	9,874,023	284,621	51,524	10,210,168	(43,470,435)	47,890,775

Almaden Minerals Ltd.  
Notes to the consolidated financial statements  
For the years ended December 31, 2012 and 2013  
Presented in Canadian dollars

1. Nature of Operations

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

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

2. Basis of Presentation

(a) Statement of Compliance with International Financial Reporting Standards

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

(b) Basis of preparation

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

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are effective as at December 31, 2013.

(c) Functional currency

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

(d) Significant accounting judgments and estimates

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

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

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Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

2. Basis of preparation (Continued)

(d) Significant accounting judgments and estimates (continued)

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

Critical Judgments

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

o 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

- o the recoverability of accounts receivable which is included in the consolidated statements of financial position;
  - o the carrying value of the marketable securities and the recoverability of the carrying value which are included in the consolidated statements of financial position;
- o 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 statements of financial position;
- o the estimated useful lives of property, plant and equipment which are included in the consolidated statements of financial position and the related depreciation included in the consolidated statements of comprehensive (loss) income;
- o the estimated value of the exploration and development costs which is recorded in the consolidated statements of financial position;
- o the inputs used in accounting for share option expense in the consolidated statements of comprehensive (loss) income;
- o the provision for income taxes which is included in the consolidated statements of comprehensive (loss) income and composition of deferred income tax assets and liabilities included in the consolidated statements of financial position at December 31, 2013;
- o the inputs used in determining the various commitments and contingencies accrued in the consolidated statement of financial position;



Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

2. Basis of preparation (Continued)

(d) Significant accounting judgments and estimates (continued)

o the assessment of indications of impairment of each exploration and evaluation asset and related determination of the net realizable value and write-down of those assets where applicable;

o the estimated fair value of contingent share payments receivable in the event that Gold Mountain achieves some or all of the specified resource and production levels described in Note 8(a);

- o the estimated fair value of contingent share payments receivable in the event that Goldgroup Mining Inc. achieves some or all of the specified resource and production levels described in Note 8(b).

3. Significant accounting policies

(a) Basis of consolidation

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

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

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

The Company accounts for its interest in the jointly controlled ATW project 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.

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Almaden Minerals Ltd.  
Notes to the consolidated financial statements  
For the years ended December 31, 2012 and 2013  
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3. Significant accounting policies (Continued)

(b) Foreign currencies

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

(c) Financial instruments

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 receivable as "loans and receivables".

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

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

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



Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

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 statements of financial position at fair value with changes in fair value recognized in net income (loss).

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

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

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

(e) Inventory

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

(f) Property, plant and equipment

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

Automotive equipment	30%
Furniture and fixtures	20%
Computer hardware and software	30%
Geological library	20%
Field equipment	20%
Leasehold improvements	Over the term of the lease
Drill equipment	20%

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### 3. Significant accounting policies (Continued)

#### (g) Revenue recognition

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

##### Interest income

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

##### Other income

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

#### (h) Exploration and evaluation

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

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

- a) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted or planned.
- c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- d) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful

development or by sale.

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Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

3. Significant accounting policies (Continued)

(h) Exploration and evaluation (continued)

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

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

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

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

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

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

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

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

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

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Notes to the consolidated financial statements  
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### 3. Significant accounting policies (Continued)

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

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

#### (j) Income taxes

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

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

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

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

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

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





Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

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) Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company, in addition to the proportionate amount of reserves originally created at the issuance of the stock options or warrants. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the announcement date of the unit offering and any residual remaining is allocated to common share purchase warrants.

(m) Reclamation and closure cost obligations

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

Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

3. Significant accounting policies (Continued)

(m) Reclamation and closure cost obligations (continued)

The Company has \$12,500 (2012 - \$12,500) of reclamation deposits held with the Ministry of Mines should any other reclamation and closure cost obligations arise from its obligations to undertake site reclamation and remediation in connection with its operating activities in British Columbia and \$20,764 (2012 - \$20,764) of reclamation deposits held with the State of Nevada should any asset retirement obligation arise from its obligations to undertake site reclamation and remediation in connection with its operating activities in Nevada.

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

(n) Net (loss) income per share

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

(o) Application of new and revised accounting standards effective January 1, 2013

The Company has evaluated the following new and revised IFRS standards and has determined there to be no material impact on the consolidated financial statements upon adoption:

- 1) IFRS 7 - Financial Instruments: Disclosures
- 2) IFRS 10 - Consolidated Financial Statements
- 3) IFRS 11 - Joint Arrangements
- 4) IFRS 12 - Disclosure of Interests in Other Entities
- 5) IFRS 13 - Fair Value Measurement
- 6) IAS 1 - Presentation of Financial Statements
- 7) IAS 19 - Employee Benefits
- 8) IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine

(p) Future accounting standards

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") but not yet effective as at December 31, 2013. The Company intends to adopt these standards and interpretations when they become effective. The Company does not expect these standards to have an impact on its consolidated financial statements. Pronouncements that are not applicable to the Company have been excluded from those described below.

Almaden Minerals Ltd.  
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3. Significant accounting policies (Continued)

(p) Future accounting standards (continued)

The following standards or amendments are effective for annual periods beginning on or after January 1, 2014.

- 1) IFRIC 21 - Levies
- 2) IAS 32 - Financial Instruments: Presentation
- 3) IAS 39 - Financial Instruments: Recognition and Measurement & IFRS 9 – Financial Instruments (mandatory adoption date not yet finalized)

4. Accounts receivable and prepaid expenses

Accounts receivable and prepaid expenses consist of the following:

	December 31, 2013	December 31, 2012
Accounts receivable	\$ 346,492	\$ 984,399
Excise tax receivable	39,538	114,204
Allowance for doubtful accounts	(79,485)	(79,485)
Prepaid expenses	138,577	552,511
	\$ 445,122	\$ 1,571,629

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

5. Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Marketable securities are designated as available for sale and valued at fair value. Unrealized gains and losses due to year end revaluation to fair value, other than those determined to be other than significant or prolonged losses are recorded as other comprehensive income or loss. During the year ended December 31, 2013, the Company determined that \$1,274,743 (2012 - \$3,856,819; 2011 - \$987,600) of unrealized loss recorded in available-for-sale financial assets was a result of significant or prolonged losses.

6. Inventory

Inventory consists of 1,597 ounces of gold which is valued at the lower of average cost of mining and estimated net realizable value. The market value of the gold at December 31, 2013 is \$2,005,251 (2012 - \$2,666,437).

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7. Investment in associate

Gold Mountain Mining Corporation

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

Almaden is accounting for this investment using the equity method as the Company has determined that significant influence exists. Almaden has recorded its equity share of Gold Mountain’s (loss) gain during the year ended December 31, 2013 in the amount of \$(818,889) (2012 – \$86,963; 2011 – \$1,286,740). The fair value of the investment at December 31, 2013 is \$2,407,500 (2012 - \$8,025,000).

During the year ended December 31, 2013, the Company charged Gold Mountain \$Nil (2012 - \$352,674) 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, 2013 and 2012:

	December 31, 2013	December 31, 2012
Current assets	\$ 2,606,837	\$ 5,867,820
Non-current assets	\$ 28,529,408	\$ 27,933,461
Current liabilities	\$ 51,923	\$ 2,375,476
Non-current liabilities	\$ 1,694,901	\$ 1,694,901
Revenue	\$ 51,141	\$ 108,918
Loss	\$ 341,483	\$ 2,024,678

Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

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8. Contingent shares receivable

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

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

Any bonus shares not released from escrow within five years will be cancelled. The Company has recorded a contingent share receivable of \$13,500 (2012 - \$90,000) based on management's best estimate of the fair value of the common shares as at December 31, 2013 and a loss on fair value adjustment of \$76,500 (2012 - \$54,000) in the statements of comprehensive (loss) income during the year ended December 31, 2013.

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

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

The Company has recorded a contingent share receivable of \$31,200 (2012 - \$148,200) based on management's best estimate of the fair value of the common shares as at December 31, 2013 and a loss on fair value adjustment of \$117,000 (2012 - \$370,500) in the statements of comprehensive (loss) income during the year ended December 31, 2013.

Almaden Minerals Ltd.

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## 9. Property, plant and equipment

	Automotive equipment \$	Furniture and fixtures \$	Computer hardware \$	Computer software \$	Geological library \$	Field equipment \$	Leasehold improvements \$	Drill equipment \$	Total \$
Cost									
December 31, 2012	532,095	139,195	326,995	204,417	65,106	420,402	27,181	1,493,365	3,208,791
Additions	9,165	-	3,095	10,395	-	31,708	-	41,623	95,986
Disposals	-	-	-	-	-	-	-	-	-
December 31, 2013	541,260	139,195	330,090	214,812	65,106	452,110	27,181	1,534,988	3,304,777
Accumulated depreciation									
December 31, 2012	367,264	124,971	270,627	119,960	57,444	281,227	27,181	649,608	1,898,282
Disposals	-	-	-	-	-	-	-	-	-
December 31, 2013	418,088	127,816	288,001	146,856	58,976	312,233	27,181	822,521	2,201,591
Carrying amounts									
December 31, 2012	164,831	14,224	56,368	84,457	7,662	139,175	-	843,757	1,310,509
December 31, 2013	123,172	11,379	42,089	67,956	6,130	139,877	-	712,467	1,103,986

Almaden Minerals Ltd.

Notes to the consolidated financial statements

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## 9. Property, plant and equipment (Continued)

	Automotive equipment \$	Furniture and fixtures \$	Computer hardware \$	Computer software \$	Geological library \$	Field equipment \$	Leasehold improvements \$	Drill equipment \$	T
Cost									
December 31, 2011	553,318	139,195	316,495	160,053	65,106	380,532	27,181	1,214,680	2
Additions	21,599	-	10,500	44,364	-	39,870	-	278,685	
Disposals	(42,822)	-	-	-	-	-	-	-	
December 31, 2012	532,095	139,195	326,995	204,417	65,106	420,402	27,181	1,493,365	3
Accumulated depreciation									
December 31, 2011	339,981	121,415	248,719	93,271	55,529	251,417	27,181	473,504	1
Disposals	(38,730)	-	-	-	-	-	-	-	
Depreciation December 31, 2012	66,013	3,556	21,908	26,689	1,915	29,810	-	176,104	
December 31, 2012	367,264	124,971	270,627	119,960	57,444	281,227	27,181	649,608	1
Carrying amounts									
December 31, 2011	213,337	17,780	67,776	66,782	9,577	129,115	-	741,176	1
December 31, 2012	164,831	14,224	56,368	84,457	7,662	139,175	-	843,757	1

Almaden Minerals Ltd.

Notes to the consolidated financial statements

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## 10. Exploration and evaluation assets

	Tuligtic	El Cobre	ATW	Willow	BP	Other Properties	Total
	\$	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets							
Acquisition costs							
Opening balance (December 31, 2012)	231,059	45,599	46,451	148,254	110,047	95,061	676,471
Additions	1,001,706	1,662	-	-	-	513,264	1,516,632
Proceeds from options	-	-	-	-	-	(317,420)	(317,420)
Proceeds received from options on exploration and evaluation assets in excess (deficiency) of cost-reclassified to income (loss)	-	-	-	(110,047)	(277,849)	(387,896)	
Impairment of deferred acquisition costs	-	-	-	-	-	(11)	(11)
Closing balance (December 31, 2013)	1,232,765	47,261	46,451	148,254	-	13,045	1,487,776
Deferred exploration costs							
Opening balance (December 31, 2012)	12,331,526	1,107,394	1,407,365	677,626	169,430	239,638	15,932,979
Costs incurred during the year							
Drilling and related costs	2,052,023	87,882	-	-	-	-	2,139,905
Professional/technical fees	738,760	25,584	-	1,597	49	65,231	831,221
Claim maintenance/lease costs	229,926	49,318	15,550	21,465	-	403,709	719,968
Geochemical, metallurgy	1,478,443	30,585	-	-	-	37,452	1,546,480
Travel and accommodation	305,115	1,609	-	-	-	3,187	309,911
Geology, exploration	841,065	4,740	531	-	-	153,701	1,000,037



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Supplies and misc.	34,632	-	84	-	-	9,349	44,065
Geophysical, geosciences	61,933	-	-	-	-	-	61,933
Reclamation, environmental	39,983	8,114	-	-	-	1,745	49,842
Water exploration	129,228	-	-	-	-	-	129,228
Value-added tax	889,100	-	-	-	-	55,797	944,897
Recoveries	-	-	-	-	-	(16,956)	(16,956)
Proceeds from options	-	-	-	-	(22,000)	(13,000)	(35,000)
Proceeds received from options on exploration and evaluation assets in excess (deficiency) of cost- reclassified to income (loss)	-	-	-	-	(147,479)	(180,631)	(328,110)
Impairment of deferred exploration costs	-	-	-	-	-	(371,027)	(371,027)
	6,800,208	207,832	16,165	23,062	(169,430)	148,557	7,026,394
Closing balance (December 31, 2013)	19,131,734	1,315,226	1,423,530	700,688	-	388,195	22,959,373
Total exploration and evaluation assets	20,364,499	1,362,487	1,469,981	848,942	-	401,240	24,447,149

Almaden Minerals Ltd.

Notes to the consolidated financial statements

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## 10. Exploration and evaluation assets (Continued)

	Tuligtic	El Cobre	ATW	Willow	BP	Other Properties	Total
	\$	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets							
Acquisition costs							
Opening balance (December 31, 2011)	231,059	45,599	46,451	148,254	110,047	435,315	1,016,725
Additions	-	-	-	-	-	19,463	19,463
Proceeds from options	-	-	-	-	-	(47,500)	(47,500)
Proceeds received from options on exploration and evaluation assets in excess of cost-reclassified to income	-	-	-	-	-	47,500	47,500
Impairment of deferred acquisition costs	-	-	-	-	-	(359,717)	(359,717)
Closing balance (December 31, 2012)	231,059	45,599	46,451	148,254	110,047	95,061	676,471
Deferred exploration costs							
Opening balance (December 31, 2011)	6,012,795	742,292	1,390,111	629,914	134,736	543,837	9,453,685
Costs incurred during the year							
Drilling and related costs	2,843,049	-	-	-	-	-	2,843,049
Professional/technical fees	504,480	14,562	-	8,961	-	68,540	596,543
Claim maintenance/lease cost	257,218	29,069	15,551	22,032	34,694	314,272	672,836
Geochemical, metallurgy	2,302,880	23,398	-	-	-	71,587	2,397,865
Travel and accommodation	141,536	6,703	-	-	-	46,814	195,053
Geology, exploration	168,391	135,301	1,633	16,719	-	59,081	381,125
Supplies and misc.	54,726	1,370	70	-	-	7,803	63,969
Geophysical, geosciences	9,978	142,500	-	-	-	67,205	219,683

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Reclamation, environmental	36,473	12,199	-	-	-	1,762	50,434
Recoveries	-	-	-	-	-	(32,124)	(32,124)
Impairment of deferred exploration costs	-	-	-	-	-	(909,139)	(909,139)
	6,318,731	365,102	17,254	47,712	34,694	(304,199)	6,479,294
Closing balance (December 31, 2012)	12,331,526	1,107,394	1,407,365	677,626	169,430	239,638	15,932,979
Total exploration and evaluation assets	12,562,585	1,152,993	1,453,816	825,880	279,477	334,699	16,609,450

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10. Exploration and evaluation assets (Continued)

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

(a) Tuligtic

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

(b) El Cobre

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

(c) ATW

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

(d) Willow

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

(e) Other

(i) Nicoamen River

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

(ii) Skoonka Creek

The Company has a 34.14% interest in the Skoonka Creek gold property. The Company recorded a write-down in 2013 of \$8,077 (2012 - \$Nil).

(iii) Merit

The Company acquired by staking a 100% interest in the Merit property. During 2010, the Company entered into an Option Agreement with Sunburst Explorations Inc. ("Sunburst") to earn a 60% interest subject to certain terms and conditions. Sunburst terminated the Option Agreement in 2013. The Company recorded a write-down in 2013 of \$5,697 (2012 – income of \$5,000).

Almaden Minerals Ltd.

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10. Exploration and evaluation assets (Continued)

(e) Other

(iv) San Jose

The Company purchased a 100% interest in the San Jose claim. The Company recorded a write-down in 2013 of \$24,676 (2012 - \$56,283).

(v) Yago & BP

In 2013, the Yago and BP properties were vended along with several others (Black Jack Springs property in Nevada and the Mezquites, San Pedro and Llano Grande properties in Mexico) to Tarsis Resources Ltd. ("Tarsis") for 4 million shares of Tarsis and a 2% NSR royalty. In addition, Tarsis must issue an additional 200,000 shares to the Company for each new property acquired within the area of influence and a further 800,000 shares upon the first time disclosure of a mineral resource on each and any of the new properties. Prior to the sale, the Company's carrying value of the properties were \$438,530 (2012 - \$350,115) and resulting in a loss of \$218,532 as reported in Note 13.

(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 and one in the amount of \$138,929 to pay for the purchase of an NSR royalty. During 2008, the Company paid the remainder of the purchase price outright. The bond in the amount of \$446,964 was returned to the Company and the bond for the purchase of the NSR royalty will remain in place until the NSR is purchased. The Company then entered into an agreement with Golden Minerals Company ("Golden Minerals") formerly Apex Silver Mines Limited to earn a 60% interest. In 2013, Golden Minerals terminated the agreement. Subsequently, the Company abandoned the claims and recorded a write-down of \$39,583 (2012 - \$271,979). The Company is in the process of having the bond for the purchase of the NSR royalty released.

(vii) Caldera

The Company acquired a 100% interest in the Caldera property by staking. During 2010, the Company entered into an Option Agreement with Windstorm Resources Inc. ("Windstorm") to earn a 60% interest in the property subject to certain terms and conditions. During 2012, Windstorm terminated the Option Agreement. The Company recorded a write-down in 2013 of \$102,021 (2012 - \$485,693).

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

The Company wrote down its interest in other exploration and evaluation assets in aggregate by \$190,984 during the year ended December 31, 2013 (2012 - \$343,739).

Almaden Minerals Ltd.

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11. Share capital and reserves

(a) Authorized share capital

At December 31, 2013, 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 2013, 2012 and 2011

On November 28, 2013, the Company issued 10,000 common shares at a deemed value of \$1.15 per share as a payment to modify the Caballo Blanco royalty agreement.

On July 17, 2013 the Company completed a non-brokered private placement of 4,376,000 units at a price of \$1.25 per unit for gross proceeds of \$5,470,000 less share issue costs of \$458,996. Each unit consists of one common share and one non-transferable common share purchase warrant. Each warrant allows the holder to purchase one common share at a price of \$1.50 per common share until January 17, 2015 and, thereafter, at a price of \$1.80 per common share until July 17, 2016. The proceeds of the private placement was allocated to share capital and nil value to the warrants under the residual value method.

A finder's fee of \$232,500 in cash and finder's warrants to purchase up to 186,000 common shares at a price of \$1.50 per common share until July 17, 2016 was paid on a portion of the placement. The fair value of the finder's warrants of \$107,880 was allocated to share capital and reserves for warrants. The Company paid other share issue costs of \$118,616.

On February 22, 2013, the Company issued 250,000 common shares at a deemed value of \$2.15 per share pursuant to a property acquisition agreement on the Tuligtic project.

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

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

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## 11. Share capital and reserves (Continued)

(c)

## Warrants

The continuity of warrants for the years ended December 31, 2013, 2012 and 2011 are as follows:

Expiry date	Exercise Price	December 31		Expired/ cancelled	December 31
		2012	Granted		
January 17, 2015*	\$ 1.50	-	4,376,000	-	4,376,000
July 17, 2016	\$ 1.50	-	186,000	-	186,000
		-	4,562,000	-	4,562,000
Weighted average					
exercise price		-	\$ 1.50	-	\$ 1.50

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

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

Expiry date	Exercise Price	December 31		Expired/ cancelled	December 31
		2010	Granted		
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	-

The weighted average fair value of warrants granted during the year ended December 31, 2013 calculated using the Black-Scholes model at issue date, are as follows:

Number of warrants	Date of issue	Fair value per share	Weighted average assumptions used			
			Risk free interest rate	Expected life (in years)	Expected volatility	Expected dividends
186,000	July 17, 2013	\$ 0.58	1.39 %	3	55.95 %	\$Nil

Almaden Minerals Ltd.

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## 11. Share capital and reserves (Continued)

## (d) Share purchase option compensation plan

The Company's stock option plan permits the issuance of options up to a maximum of 10% of the Company's issued share capital. Stock options issued to any consultant or person providing investor relations services cannot exceed 2% of the issued and outstanding common shares in any twelve month period. At December 31, 2013, the Company had reserved 617,832 stock options that may be granted. The exercise price of any option cannot be less than the volume weighted average trading price of the shares for the five trading days immediately preceding the date of the grant. The maximum term of all options is five years. The Board of Directors determines the term of the option (to a maximum of five years) and the time during which any option may vest. Options granted to consultants or persons providing investor relations services shall vest in stages with no more than 25% of such option being exercisable in any three month period. All options granted during the years ended December 31, 2013, 2012 and 2011 vested on the date granted. The continuity of stock options for the years ended December 31, 2013, 2012 and 2011 are as follows:

Expiry date	Exercise price	December 31, 2012	Granted	Exercised	Expired/ cancelled	December 31, 2013
March 17, 2013	\$2.35	40,000	-	(25,000 )	(15,000 )	-
April 12, 2013	\$2.36	25,000	-	-	(25,000 )	-
December 29, 2013	\$0.68	125,000	-	(125,000 )	-	-
May 4, 2014	\$2.18	65,000	-	-	-	65,000
July 13, 2014	\$1.96	170,000	-	-	-	170,000
November 22, 2014	\$2.53	60,000	-	-	-	60,000
November 25, 2014	\$0.81	150,000	-	-	-	150,000
January 4, 2015	\$1.14	1,040,000	-	(70,000 )	-	970,000
February 22, 2015	\$2.26	-	20,000	-	-	20,000
April 25, 2015	\$1.67	-	25,000	-	-	25,000
June 21, 2015	\$1.00	140,000	-	-	-	140,000
July 16, 2015	\$0.92	200,000	-	-	-	200,000
August 27, 2015	\$2.22	205,000	-	-	-	205,000
September 20, 2015	\$2.67	100,000	-	-	-	100,000
November 22, 2015	\$2.73	125,000	-	-	(50,000 )	75,000
June 8, 2016	\$3.29	2,320,000	-	-	(50,000 )	2,270,000
August 15, 2016	\$2.93	200,000	-	-	(50,000 )	150,000
May 4, 2017	\$2.18	250,000	-	-	(25,000 )	225,000
June 8, 2017	\$2.25	75,000	-	-	-	75,000
September 11, 2017	\$2.63	500,000	-	-	-	500,000
November 22, 2017	\$2.53	100,000	-	-	-	100,000
April 4, 2018	\$1.98	-	90,000	-	-	90,000
June 18, 2018	\$1.66	-	250,000	-	-	250,000
Options outstanding and exercisable		5,890,000	385,000	(220,000)	(215,000)	5,840,000
Weighted average exercise price		\$ 2.39	\$ 1.77	\$ 1.02	\$ 2.77	\$ 2.38





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## 11. Share capital and reserves (Continued)

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

Expiry date	Exercise price	December 31, 2011	Granted	Exercised	Expired/ cancelled	December 31, 2012,
March 25, 2012	\$3.90	45,000	-	-	(45,000 )	-
September 10, 2012	\$2.32	500,000	-	(500,000 )	-	-
November 1, 2012	\$2.72	60,000	-	-	(60,000 )	-
November 15, 2012	\$2.68	100,000	-	-	(100,000 )	-
December 13, 2012	\$4.30	25,000	-	-	(25,000 )	-
March 17, 2013	\$2.35	40,000	-	-	-	40,000
April 12, 2013	\$2.36	-	25,000	-	-	25,000
December 29, 2013	\$0.68	125,000	-	-	-	125,000
May 4, 2014	\$2.18	-	65,000	-	-	65,000
July 13, 2014	\$1.96	-	170,000	-	-	170,000
November 22, 2014	\$2.53	-	60,000	-	-	60,000
November 25, 2014	\$0.81	150,000	-	-	-	150,000
January 4, 2015	\$1.14	1,040,000	-	-	-	1,040,000
June 21, 2015	\$1.00	240,000	-	(100,000 )	-	140,000
July 16, 2015	\$0.92	200,000	-	-	-	200,000
August 27, 2015	\$2.22	205,000	-	-	-	205,000
September 20, 2015	\$2.67	100,000	-	-	-	100,000
November 22, 2015	\$2.73	125,000	-	-	-	125,000
June 8, 2016	\$3.29	2,320,000	-	-	-	2,320,000
August 15, 2016	\$2.93	200,000	-	-	-	200,000
May 4, 2017	\$2.18	-	250,000	-	-	250,000
June 8, 2017	\$2.25	-	75,000	-	-	75,000
September 11, 2017	\$2.63	-	500,000	-	-	500,000
November 22, 2017	\$2.53	-	100,000	-	-	100,000
Options outstanding and exercisable		5,475,000	1,245,000	(600,000 )	(230,000 )	5,890,000
Weighted average exercise price		\$ 2.39	\$ 2.38	\$ 2.10	\$ 3.11	\$ 2.39

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## 11. Share capital and reserves (Continued)

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

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

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## 11. Share capital and reserves (Continued)

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

The weighted average fair value of options granted during the years ended December 31, 2013, 2012, and 2011, calculated using the Black-Scholes model at grant date, are as follows:

Number of options	Date of grant	Fair value per share	Weighted average assumptions used			
			Risk free interest rate	Expected life (in years)	Expected volatility	Expected dividends
250,000	June 18, 2013	\$1.01	1.62%	5	78.71%	\$Nil
25,000	April 25, 2013	\$0.51	1.19%	2	48.19%	\$Nil
90,000	April 4, 2013	\$1.17	1.62%	5	78.27%	\$Nil
20,000	February 22, 2013	\$0.057	0.99%	2	50.12%	\$Nil
100,000	November 22, 2012	\$1.58	1.37%	5	77.91%	\$Nil
60,000	November 22, 2012	\$0.72	1.17%	2	50.80%	\$Nil
500,000	September 11, 2012	\$1.76	1.22%	5	77.87%	\$Nil
170,000	July 13, 2012	\$0.80	1.07%	2	76.42%	\$Nil
75,000	June 8, 2012	\$1.63	1.20%	5	74.66%	\$Nil
250,000	May 4, 2012	\$2.03	1.20%	5	75.79%	\$Nil
65,000	May 4, 2012	\$1.05	1.00%	1.5	75.79%	\$Nil
25,000	April 12, 2012	\$0.74	1.00%	1	76.46%	\$Nil
60,000	November 1, 2011	\$0.86	0.99%	1	78.13%	\$Nil
200,000	August 15, 2011	\$2.17	1.30%	5	77.10%	\$Nil
2,320,000	June 8, 2011	\$1.89	2.10%	5	76.58%	\$Nil
45,000	March 25, 2011	\$1.34	1.72%	1	90.17%	\$Nil

## 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, 2013	December 31, 2012	December 31, 2011
Salaries, fees and benefits	\$ 690,700(i)	\$ 828,488(iii)	\$ 722,157(v)
Share based compensation	340,250(ii)	1,468,500(iv)	3,883,250(vi)
Director's fees	48,000	39,000	33,000
	\$ 1,078,950	\$ 2,335,988	\$ 4,638,407

(i) Hawk Mountain Resources Ltd. (“Hawk Mountain”), a private company of which the Chairman of the Company is a shareholder, was paid \$240,000 for geological services provided to the Company and is recorded in general exploration expenses.

Almaden Minerals Ltd.

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12. Related party transactions and balances (Continued)

(a) Compensation of key management personnel (continued)

- (ii) Comprised of 325,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 75,000 option-based awards is based on the fair value of the awards (\$1.17) calculated using the Black-Scholes model at the April 3, 2013 grant date. The value of 250,000 option-based awards is based on the fair value of the awards (\$1.01) calculated using the Black-Scholes model at the June 18, 2013 grant date.
- (iii) Hawk Mountain was paid \$315,000 for geological services provided to the Company and is recorded in general exploration expenses.
- (iv) Comprised of 925,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 250,000 option-based awards is based on the fair value of the awards (\$1.32) calculated using the Black-Scholes model at the May 4, 2012 grant date. The value of 75,000 option-based awards is based on the fair value of the awards (\$1.34) calculated using the Black-Scholes model at the June 8, 2012 grant date. The value of 500,000 option-based awards is based on the fair value of the awards (\$1.76) calculated using the Black-Scholes model at the September 11, 2012 grant date. The value of 100,000 option-based awards is based on the fair value of the awards (\$1.58) calculated using the Black-Scholes model at the November 22, 2012 grant date.
- (v) Hawk Mountain was paid \$268,050 for geological services provided to the Company and is recorded in general exploration expenses.
- (vi) Comprised of 2,025,000 options granted pursuant to the Company's stock option plan during the year, all of which vested on the grant date. The value of 1,825,000 option-based awards is based on the fair value of the awards (\$1.89) calculated using the Black-Scholes model at the June 8, 2011 grant date. The value of 200,000 option-based awards is based on the fair value of the awards (\$2.17) calculated using the Black-Scholes model at the August 15, 2011 grant date.

(b) Other related party transactions

i) ATW Resources Ltd. ("ATW")

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

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12. Related party transactions and balances (Continued)

(b) Other related party transactions (continued)

ii) Other

(a) During the year ended December 31, 2013, the Company paid a company controlled by a Director of the Company \$1,500 (2012 - \$Nil; 2011 - \$5,000) for consulting services provided to the Company.

(b) During the year ended December 31, 2013, the Company paid a company controlled by a Director of the Company, \$700 (2012 - \$488; 2011 - \$1,325) for accounting services provided to the Company.

(c) During the year ended December 31, 2013, an additional \$6,300 was paid to Hawk Mountain for marketing and general administration services provided by the spouse of the Chairman (2012 - \$12,000; 2011 - \$30,475).

(d) During the year ended December 31, 2013, the Company employed the Chairman's daughter for a salary of \$34,000 less statutory deductions (2012 - \$62,216; 2011 - \$29,358) for marketing and administrative services provided to the Company.

13. (Loss) income on exploration and evaluation assets

(Loss) income on exploration and evaluation assets is comprised of the following:

	December 31, 2013	Year ended December 31,	December 31, 2011
Sale of Yago, Mezquites, Llano Grande, San Pedro, BP and Black Jack Springs properties	\$ (218,532 )	\$ -	\$ -
Sale of Caballo Blanco property	(469,045 )	-	10,801,320
Sale of Elk property	-	-	4,266,166
Other	(28,429 )	47,500	4,999
	\$ (716,006 )	\$ 47,500	\$ 15,072,485

During year ended December 31, 2013, the Company paid \$469,045 in the form of cash and shares as part of the consideration payable to obtain a reduction in a royalty with respect to a property interest in Caballo Blanco property. The payment and shares are the result of a 2011 royalty agreement that has been subsequently amended pursuant to an Amended Royalty Agreement.

Recorded in Other, the Company accrued a reversal from a previous years' recovery of exploration costs that resulted in a loss on exploration and evaluation assets of \$144,019. The accrual relates to a Canada Revenue Agency review of Almaden's 2010 and 2011 British Columbia Mining Exploration Tax Credit ("BCMETC") from various grassroots mineral projects in British Columbia, Canada.





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14. Net (loss) income per share

Basic and diluted net (loss) income per share

The calculation of basic net (loss) income per share for the year ended December 31, 2013 was based on the (loss) income attributable to common shareholders of \$(6,356,609) (2012 - \$(10,238,377); 2011 - \$7,294,858) and a weighted average number of common shares outstanding of 62,054,987 (2012 - 59,349,992; 2011 - 57,268,649).

The calculation of diluted net (loss) per share for the year ended December 31, 2013 did not include the effect of stock options and warrants as they are anti-dilutive. The calculation of diluted net (loss) per share for the year ended December 31, 2012 did not include the effect of stock options as they are anti-dilutive. The calculation of diluted net income per share for the year ended December 31, 2011 includes the weighted average number of common shares outstanding adjusted for the effects of all dilutive potential common shares, which comprise of 1,791,544 stock options and 692,502 warrants.

15. Supplemental cash flow information

Supplemental information regarding non-cash transactions is as follows:

	December 31, 2013	December 31, 2012	December 31, 2011
Investing and financing activities			
Fair value of share options transferred to share capital on exercise of options	\$ 136,650	\$ 624,000	\$ 2,546,300
Fair value of warrants transferred to share capital on exercise of warrants	-	-	711,305
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 Dill property	5,000	17,500	-
Shares received on sale of Yago, Mezquites, Llano Grande, San Pedro BP and Black Jack Springs properties	220,000	-	-



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15. Supplemental cash flow information (Continued)

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

	December 31, 2013	December 31, 2012
Cash	\$ 1,694,723	\$ 11,187,358
Term Deposits	10,300,050	5,300,050
	\$ 11,994,773	\$ 16,487,408

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, 2013	December 31, 2012
Income (loss) before taxes	\$ (6,356,609)	\$ (10,238,377)
Statutory rate	25.75 %	25.00 %
Expected income tax	(1,636,827)	(2,559,594 )
Effect of different tax rates in foreign jurisdictions	(98,395 )	(63,945 )
Non-deductible stock based compensation	98,352	428,749
Other permanent items	731,637	681,626
Change in deferred tax assets not recognized	3,864,161	1,757,082
Impact of change in tax rates	(449,174 )	-
Impact of deferred tax rates applied vs. current statutory rates	(5,211 )	-
Share issuance costs	(119,339 )	-
True-ups and Other	(2,385,204)	(243,918 )
	\$ -	\$ -

The province of British Columbia increased its corporate tax rate decreased from 10% to 11% effective April 1, 2013. The increase in tax rates resulted in an overall increase in the Company's statutory tax rate from 25% to 25.75%.

In 2013, a bill was introduced in Mexico that increased the Company's tax rate relating to the Company's Mexico operations to 30%, effective January 1, 2014. As a result, the Company's deferred tax rate in relation to its Mexico operations increased from 28% to 30%.

Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

## 16. Income taxes (Continued)

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

	December 31, 2013	December 31, 2012
Deferred tax assets		
Non-capital losses	\$ 3,916,383	\$ 1,916,686
Property, plant and equipment	149,169	1,584
	4,065,552	1,918,270
Deferred tax liabilities		
Exploration and evaluation assets	(4,053,930)	(1,881,220)
Contingent shares receivable	(11,622 )	(37,050 )
	(4,065,552)	(1,918,270)
Net deferred tax assets (liabilities)	\$ -	\$ -

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

	December 31, 2013	December 31, 2012
Non-capital loss carryforwards	\$ 14,470,998	\$ 9,332,601
Capital loss carryforwards	-	1,887,677
Exploration and evaluation assets	9,852,106	4,496,451
Share issue costs	554,002	406,198
Property, plant and equipment	251,308	136,964
Cumulative eligible capital deduction	130,693	120,906
Marketable securities	5,421,778	4,104,998
Donations	5,100	-
	\$ 30,685,985	\$ 20,485,795

At December 31, 2013, the Company had operating loss carryforwards available for tax purposes in Canada of \$4,468,535 (2012 - \$2,020,008) which expire between 2031 and 2033, in the United States of \$361,713 (2012 - \$16,422) which expire between 2031 and 2033 and in Mexico of \$9,640,749 (2012 - \$7,296,171) which expire between 2014 and 2023.

Taxable temporary differences in relation to investments in associates for which a deferred tax liability has not been recognized is \$5.6 million (2012 - \$6.4 million).

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#### 17. Commitments

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

As at December 31, 2013, the remaining payments for the executive contract and the operating lease are due as follows:

	2014	2015	2016	2017	2018	Total
Office lease	\$ 75,000	\$ 81,000	\$ 6,700	\$ -	\$ -	\$ 162,700
Executive contracts	505,000	505,000	505,000	505,000	505,000	2,525,000
	\$ 580,000	\$ 586,000	\$ 511,700	\$ 505,000	\$ 505,000	\$ 2,687,700

#### 18. Financial instruments

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

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and commodity price risk.

##### (a) Currency risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks.

As at December 31, 2013, the Company is exposed to foreign exchange risk through the following assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary:

All amounts in Canadian dollars	US dollar	Mexican peso
Cash and cash equivalents	\$ 567,239	\$ 63,583
Accounts receivable and prepaid expenses	-	66,870
Total assets	\$ 567,239	\$ 130,453
Trade and other payables	\$ 76,592	\$ 165,638
Total liabilities	\$ 76,592	\$ 165,638
Net assets (liabilities)	\$ 490,647	\$ (35,185 )

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net income by \$57,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's net income by \$6,000.

Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

18. Financial instruments (Continued)

(b) Credit risk

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

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

As at December 31, 2013, 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 \$120,000.

(e) Commodity price risk

The ability of the Company to explore its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company has not hedged any of its potential future gold sales. The Company monitors gold prices to determine the appropriate course of action to be taken by the Company.

A 1% change in the price of gold would affect the fair value of the Company's gold inventory by \$20,000.

Almaden Minerals Ltd.

Notes to the consolidated financial statements

For the years ended December 31, 2012 and 2013

Presented in Canadian dollars

18. Financial instruments (Continued)

(f) Classification of Financial instruments

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	\$ 1,058,661	\$ -	\$ -	\$ 1,058,661

19. Management of capital

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

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

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

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations for the foreseeable future.



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## 20. Segmented information

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

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

	Year ended December 31,	
	2013	2012
Canada	\$ 2,562,469	\$ 2,564,122
United States	848,945	1,105,361
Mexico	22,138,805	14,250,441
	\$ 25,550,219	\$ 17,919,924

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

## 21. General and administrative expenses

	Year ended December 31,		
	2013	2012	2011
Professional fees	\$ 378,705	\$ 483,250	\$ 495,665
Salaries and benefits	537,837	535,081	296,544
Travel and promotion	305,203	368,481	289,425
Depreciation	303,390	325,995	271,061
Office and license	200,252	183,256	260,187
Rent	169,498	158,334	164,919
Stock exchange fees	87,070	106,901	131,539
Insurance	100,783	103,536	107,645
Transfer agent fees	23,540	22,676	45,617
Directors fees	48,000	39,000	33,495
Bad debt expense	-	4,455	-
	\$ 2,154,278	\$ 2,330,965	\$ 2,096,097

SIGNATURE

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Almaden Minerals Ltd.  
Registrant

Dated: March 28, 2014

By /s/Morgan Poliquin  
Morgan Poliquin, CEO

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