DIAMOND OFFSHORE DRILLING INC
Form 3
July 08, 2014

FORM 3

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

OMB APPROVAL	
OMB Number:	3235-0104
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Â Woll Ronald
(Last) (First) (Middle)

15415 KATY FREEWAY,Â SUITE 100
(Street)

HOUSTON,Â TXÂ 77094
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
06/30/2014

3. Issuer Name **and** Ticker or Trading Symbol
DIAMOND OFFSHORE DRILLING INC [DO]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Senior Vice President-CCO

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
No securities beneficially owned	0	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
		Title			

Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Woll Ronald 15415 KATY FREEWAY SUITE 100 HOUSTON,Â TXÂ 77094	Â	Â	Â Senior Vice President-CCO	Â

Signatures

/s/ Terence W. Waldorf Attorney-in-Fact for Ronald Woll	07/08/2014
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. bottom width=102.667>

CURRENT

Cash and cash equivalents

$ 4,838,914

$ 964,967

Accounts receivable and prepaid expenses

105,106

136,085

Marketable securities (Note 4)

369,286

600,074

Inventory (Note 5)

274,768

274,768

TOTAL CURRENT ASSETS

5,588,074

1,975,894

PROPERTY, PLANT AND EQUIPMENT (Note 6)

474,521

240,494

RECLAMATION DEPOSIT

81,500

81,500

MINERAL PROPERTIES (Note 7)

4,197,675

3,337,864

TOTAL ASSETS

$ 10,341,770

$ 5,635,752

LIABILITIES

Explanation of Responses:

CURRENT

Accounts payable and accrued liabilities

$ 49,625

$ 61,814

Deferred exploration advances (Note 8)

58,011

-

Mineral taxes payable (Note 16)

379,653

392,453

TOTAL CURRENT LIABILITIES

487,289

454,267

CONTINGENCY (Note 16)

SHAREHOLDERS' EQUITY

Share capital

Authorized

100,000,000

common shares without par value

Issued (Note 9)

27,627,079

shares - December 31, 2003

21,918,722

shares - December 31, 2002

21,476,722

17,389,381

Subscription for shares (Note 9)

1,699,435

-

Contributed surplus (Notes 2 (j) and 3)

374,525

162,000

Deficit accumulated during the exploration stage

(13,696,201)

(12,369,896)

TOTAL SHAREHOLDERS' EQUITY

9,854,481

5,181,485

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

$ 10,341,770

$ 5,635,752

ON BEHALF OF THE BOARD:

(Signed) Duane Poliquin

(Signed) James E. McInnes

Duane Poliquin, Director

James E. McInnes, Director

See accompanying Notes to the Consolidated Financial Statements.

ALMADEN MINERALS LTD.

(An exploration stage company)

Consolidated Statements of Operations and Deficit

(Expressed in Canadian dollars)

	Cumulative amount since incorporation September 25, 1980 to December 31, 2003	Years ended December 31, **2003**	2002 (Note 3)	2001
REVENUE				
Mineral properties	$ 710,353	**$ 26,335**	$ 20,815	$ -
Interest income	790,932	**34,267**	40,251	30,538
Other income	130,191	**49,628**	61,472	-
	1,631,476	**110,230**	122,538	30,538
EXPENSES				
General and administrative expenses (Schedule 1)	4,444,606	**605,763**	598,753	327,082
General exploration expenses	2,289,463	**439,503**	332,485	110,136
Write-down of interests in mineral properties	6,514,542	**105,666**	2,180,738	83,295
Stock option compensation (Note 3)	382,000	**220,000**	162,000	-

	13,630,611	**1,370,932**	3,273,976	520,513
	(11,999,135)	**(1,260,702)**	(3,151,438)	(489,975)
GAIN (LOSS) ON SECURITIES	(1,693,003)	**13,980**	(54,980)	(164,055)
GAIN ON SALE OF PROPERTY, PLANT				
AND EQUIPMENT	14,210	**-**	15,144	-
FOREIGN EXCHANGE GAIN (LOSS)	(18,273)	**(79,583)**	(6,751)	3,935
NET LOSS	(13,696,201)	**(1,326,305)**	(3,198,025)	(650,095)
DEFICIT, ACCUMULATED				
DURING EXPLORATION				
STAGE, BEGINNING OF PERIOD	-	**(12,369,896)**	(9,171,871)	(8,521,776)
DEFICIT, ACCUMULATED				
DURING EXPLORATION				
STAGE, END OF PERIOD	$(13,696,201)	**$(13,696,201)**	$(12,369,896)	$ (9,171,871)
NET LOSS PER SHARE				
Basic and diluted		**$ (0.06)**	$ (0.16)	$ (0.05)
BASIC AND DILUTED WEIGHTED AVERAGE				
NUMBER OF SHARES OUTSTANDING		**23,378,693**	19,524,034	13,411,621

See accompanying Notes to the Consolidated Financial Statements.

ALMADEN MINERALS LTD.

(An exploration stage company)

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Cumulative amount since incorporation September 25, 1980 to December 31, 2003	Years ended December 31,		
		2003	2002 (Note 3)	2001
OPERATING ACTIVITIES				
Net loss	$(13,696,201)	**$(1,326,305)**	$ (3,198,025)	$ (650,095)
Items not affecting cash				
Depreciation	348,269	**38,852**	43,166	26,882
Loss (gain) on marketable securities	1,693,003	**(13,980)**	54,980	164,055
Write-down of interests in mineral properties	6,514,542	**105,666**	2,180,738	83,295
Stock-based compensation	382,000	**220,000**	162,000	-
Gain on sale of property, plant and equipment	(14,210)	**-**	(15,144)	-
Write-off of incorporation costs	3,298	**-**	-	-
Changes in non-cash working capital components				
Accounts receivable and prepaid expenses	(110,582)	**30,979**	(29,281)	61,393
Accounts payable and accrued liabilities	14,523	**(12,189)**	(66,052)	17,709
Mineral taxes payable	(669)	**(12,800)**	12,131	-
Deferred exploration advances	58,011	**58,011**	-	-
	(4,808,016)	**(911,766)**	(855,487)	(296,761)
FINANCING ACTIVITY				
Issuance of shares - net of expenses	20,623,870	**5,779,301**	2,378,605	-
INVESTING ACTIVITIES				
Cash acquired upon business combination	198,131	**-**	-	198,131

Long-term investment	(1,891,315)	**-**	-	-
Reclamation deposit	(5,000)	**-**	(5,000)	-
Marketable securities				
Purchases	(4,275,187)	**(352,526)**	(575,226)	-
Net proceeds	3,950,415	**597,294**	410,860	319,719
Property, plant and equipment				
Purchases	(823,367)	**(247,879)**	(200,443)	(44,309)
Proceeds	62,287	**-**	48,587	-
Mineral properties				
Costs	(9,561,511)	**(990,477)**	(873,935)	(190,279)
Gold sales	362,906	**-**	362,906	-
Net proceeds	1,008,999	**-**	-	-
Incorporation costs	(3,298)	**-**	-	-
	(10,976,940)	**(993,588)**	(832,251)	283,262
NET CASH INFLOW (OUTFLOW)	4,838,914	**3,873,947**	690,867	(13,499)
CASH AND CASH EQUIVALENTS,				
BEGINNING OF PERIOD	-	**964,967**	274,100	287,599
CASH AND CASH EQUIVALENTS,				
END OF PERIOD	$ 4,838,914	**$ 4,838,914**	$ 964,967	$ 274,100

SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)

See accompanying Notes to the Consolidated Financial Statements.

96

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

1.

NATURE OF OPERATIONS

Almaden Minerals Ltd. (the "Company") is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economic recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of mineral properties.

2.

SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which in respect of these financial statements are different in some respects from generally accepted accounting principles in the United States of America as discussed in Note 17 and include the following policies:

(a)

Basis of consolidation

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

Almaden America Inc.

Nevada

Republic Resources Ltd.

British Columbia

Almaden de Mexico, S.A. de C.V.

Mexico

Minera Gavilan, S.A. de C.V.

Mexico

Compania Minera Zapata, S.A. de C.V.

Mexico

(b)

Foreign exchange

The functional currency of the Company's subsidiaries has been determined to be the Canadian dollar. U.S. dollar and Mexican peso denominated amounts in these financial statements are translated into Canadian dollars on the following basis:

(i)

Monetary assets and liabilities - at the rate of exchange prevailing at the year-end.

(ii)

Non-monetary assets - at the rates of exchange prevailing when the assets were acquired or the liabilities assumed.

(iii)

Income and expenses - at the rate approximating the rates of exchange prevailing on the dates of the transactions.

(iv)

Gains and losses on translation are credited or charged to operations.

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

2.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c)

Cash and cash equivalents

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.

(d)

Marketable securities

Investment in marketable securities is recorded at the lower of cost and quoted market value.

(e)

Inventory

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

(f)

Property, plant and equipment

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

Automotive equipment	30%
Computer hardware and software	30%
Field equipment	20%
Furniture and fixtures	20%
Geological data library	20%
Mill equipment	10%

On a quarterly basis the Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment. An impairment in value would be indicated if the assets' carrying value exceeds the estimated recoverable amount. During the periods covered by these financial statements there was no indication of impairment.

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

2.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g)

Mineral properties

The Company is in the exploration stage with respect to its investment in mineral claims and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. 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 a permanent impairment.

The recoverability of amounts shown for mineral properties 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.

(h)

Income taxes

Future income tax liabilities and future income tax assets are recorded based on differences between the financial reporting basis of the Company's assets and liabilities and their corresponding tax basis. The future benefits of income tax assets, including unused tax losses are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such losses will be ultimately utilized. These future income tax assets and liabilities are measured using enacted tax rates and laws that are expected to apply when the tax liabilities or assets are to be either settled or realized.

(i)

Revenue recognition

Recovery of costs incurred and determined in accordance with agreements related to a mineral property acquisition, exploration and development in excess of costs incurred are reflected as revenue when receivable and collection is probable.

(j)

Stock-based compensation plans

The Company accounts for options granted under its fixed stock option plan (Notes 3 and 9) using the fair value based method of accounting for stock-based compensation. Accordingly, the fair value of the options at the date of grant is accrued and charged to operations, with an offsetting credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

2.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k)

Loss per share

The loss per share is based on the weighted average number of common shares of the Company that were outstanding each year.

(l)

Use of estimates

The preparation of financial statements in conformity with the Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Significant estimates used in the preparation of these consolidated financial statements include, amongst other things, depreciation, determination of net recoverable value of assets, determination of fair value on taxes and contingencies.

3.

ACCOUNTING CHANGES

Effective January 1, 2003, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants (the "CICA") for stock-based compensation and other stock-based payments. These recommendations established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments in exchange for goods and services. In 2001 and prior years, no stock-based compensation expense was recognized when share options were granted to employees and directors. In 2002, the Company elected not to account for stock-based compensation, however, it disclosed the pro forma effect of the stock-based compensation on its financial results. Further to changes in the CICA section for stock-based compensation in 2003, the Company has adopted the fair value based method of accounting for stock-based compensation, as described in Note 2 (j). This change has been applied retroactively and the financial statements for 2002 have been restated. The effect of this change was to increase the net loss for the year ended December 31, 2002 by $162,000 for a net loss of $3,198,025 (no change to loss per share). The contributed surplus balance at December 31, 2002 increased to $162,000 and the deficit at January 1, 2003 increased to $12,369,896.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

4.

MARKETABLE SECURITIES

		2003		2002
Money market investments	**$**	**163,049**	$	568,339
Equity securities		**206,237**		31,735
	$	**369,286**	$	600,074

The market value of the investments as at December 31, 2003 was $1,268,497 (2002 - $780,834).

5.

INVENTORY

Inventory consists of gold bullion 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, 2003 is $859,681.

6.

PROPERTY, PLANT AND EQUIPMENT

	2003		2002
	Accumulated	Net Book	Net Book

	Cost	Depreciation	Value	Value
Automotive equipment	**$ 135,247**	**$ 91,026**	**$ 44,221**	$ 32,816
Furniture and fixtures	**105,276**	**86,083**	**19,193**	19,436
Computer hardware	**136,677**	**107,990**	**28,687**	13,877
Computer software	**15,491**	**9,394**	**6,097**	2,707
Geological data library	**15,106**	**10,967**	**4,139**	3,303
Field equipment	**128,903**	**79,983**	**48,920**	49,855
Mill equipment	**323,264**	**-**	**323,264**	118,500
	$ 859,964	**$ 385,443**	**$ 474,521**	$ 240,494

At December 31, 2003 the mill equipment was not available for use. Depreciation will be charged once the equipment is put into use.

101

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

7.

MINERAL PROPERTIES

	2003	2002
Canada		
Elk		
100% interest in mineral claims in British Columbia which includes the Siwash gold deposit	**$ 1,644,696**	$ 1,089,462
ATW		

Net 30% interest in mineral claims near Lac De Gras, Northwest Territories	**171,461**	117,803
PV		
100% interest in mineral claims in British Columbia	**124,421**	88,962
MOR		
100% interest in minerals claims in the Yukon Territory	**62,024**	62,024
Rock River Coal		
50% interest in 187,698 acre coal prospect in the Yukon Territory	**43,707**	14,097
Cabin Lake		
100% interest in minerals claims in the Yukon Territory	**35,000**	35,000
Caribou Creek		
100% interest in minerals claims in the Yukon Territory	**35,000**	35,000
Mexico		
Caballo Blanco (Note 7 (a))		
Option to purchase 100% interest in mineral claims in Veracruz	**522,756**	519,161
El Pulpo (Note 7 (b))		
100% interest in mineral claims in Sinaloa State	**95,203**	68,188
San Carlos / San Jose (Note 7 (c))		
100% interest in the San Carlos and San Jose mineral claims in Tamaulipas State	**244,590**	276,551
Galeana (Note 7 (d))		
Option to purchase 100% interest in mineral claims in Chihuahua State	**118,272**	81,944
Yago / La Sarda (Note 7 (e))		
100% interest in mineral claim in Nayarit State	**799,505**	777,180
Fuego		
100% interest in mineral claims in Oaxaca State	**30,372**	-
Interests in various other mineral claims (Note 7 (g))	**270,668**	172,492
	$ 4,197,675	$ 3,337,864

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

7.

MINERAL PROPERTIES (Continued)

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

(a)

Caballo Blanco

In terms of the original agreement, to earn a 60% interest in the property, the Company had to issue a total of 200,000 shares and pay U.S.$500,000 plus value added tax over four and a half years. To earn the remaining 40% interest, the Company had to pay an additional U.S.$500,000 plus value added tax within a year of earning its 60% interest, plus a 2.5% net smelter return ("NSR"). The Company could have reduced this NSR to 1.5% for a fixed payment of U.S.$2,000,000 plus value added tax payable equally over 10 years.

The agreement was amended in January 2003. To earn a 100% interest, the Company must issue a total of 200,000 common shares and must pay U.S.$668,500 plus value added tax by February 26, 2007. The underlying owner would also receive a NSR of 2.5% to 1% based on the rate of production. The Company can purchase 50% of this NSR for a fixed payment of U.S.$750,000 plus value added tax. As at December 31, 2003, the Company had issued the required 200,000 common shares and paid U.S.$301,000 of this obligation.

During 2003, the Company entered into an agreement with Comaplex Minerals Corp. ("Comaplex"). To earn a 60% interest, Comaplex must keep the property in good standing and incur exploration expenditures totalling U.S.$2,000,000 by January 16, 2007.

(b)

El Pulpo

The Company acquired a 100% interest in the Gavilan claims by staking. Two additional claims, which are surrounded by the Gavilan claims, are held under option. To earn a 100% interest, the Company must pay U.S.$162,000 plus value added tax by February 2005. The claims are subject to a 1% NSR which can be purchased for a fixed payment of U.S.$500,000 plus value added tax. As at December 31, 2003, U.S.$21,000 of the obligation had been satisfied.

During 2003, the Company entered into an agreement with Ross River Minerals Ltd. ("Ross River"). To earn an initial 50.1% interest, Ross River must maintain the property in good standing, incur exploration expenditures totalling U.S.$2,000,000 and issue 425,000 common shares to the Company by April 30, 2008. Ross River can increase its interest to 60% by incurring a further U.S.$1,000,000 of exploration expenditures by April 30, 2010.

103

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

7.

MINERAL PROPERTIES (Continued)

(c)

San Carlos

The Company acquired a 100% interest in the San Carlos claims by staking and purchased a 100% interest in the San Jose claim, subject to a 2% NSR. The Begonia claims, which are surrounded by the San Carlos claims, are held under option. To earn its interest, the Company must pay U.S.$1,000,000 plus value added tax by 2007. The claims are subject to a sliding scale NSR from 2.5% to 1.0% based on the rate of production. At December 31, 2003, U.S.$90,000 of this obligation had been paid.

During 2001, the Company entered into an agreement with Aurcana Corporation ("Aurcana") which was terminated during 2003.

(d)

Galeana

The Galeana claims are held under option. To earn a 100% interest, the Company must pay U.S.$100,000 plus value added tax over seven years. The Company must also pay U.S.$400,000 plus value added tax should the property go into production. The claims are subject to a NSR of 3% to 1% based on the rate of production. The Company can purchase 50% of this NSR for a fixed payment of U.S.$500,000 plus value added tax at any time. As at December 31, 2003, U.S.$10,000 of this obligation had been satisfied.

During 2002, the Company entered into an agreement with Grid Capital Corporation ("Grid"). To earn an initial 50% interest, Grid must maintain the property in good standing, incur exploration expenditures totalling U.S.$1,000,000 and issue 400,000 shares to the Company by July 31, 2006. Grid can increase its interest to 60% by incurring an additional U.S.$1,000,000 of exploration expenditures and issuing a further 100,000 shares to the Company by July 31, 2007.

(e)

Yago / La Sarda

The Company acquired a 100% interest in the Tepic claim by staking and purchased a 100% interest in the La Sarda claims. The adjoining Guadalupe and Sagitario claims are held under option. To earn a 100% interest in the Guadalupe claim, the Company must pay U.S.$30,000 plus value added tax over six years. To earn a 100% interest in the Sagitario claim the Company must pay U.S.$250,000 plus value added tax by January 1, 2005. As at December 31, 2003, U.S.$120,000 of this obligation had been satisfied.

During 2002 the Company entered into an agreement with Ascot Resources Ltd. which was terminated during 2003.

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

7.

MINERAL PROPERTIES (Continued)

(f)

BHP Billiton Joint Venture

On May 9, 2002, the Company entered into a joint venture agreement with BHP Billiton World Exploration Inc. ("BHP") to undertake exploration in eastern Mexico. Each company committed to fund U.S.$200,000 of exploration in the first year. To earn a 51% interest in any property which may be acquired, BHP must fund an initial U.S.$1,000,000 of exploration, after which both companies are committed to fund a further U.S.$750,000 of exploration. If either company fails to make its contribution, it would be diluted to a 2% net smelter return royalty. If both companies maintain their interest of funding, BHP can earn a further 19% interest in each project by completing a feasibility study. A final 10% interest can be earned by BHP by funding the property into production. At December 31, 2003, each company had incurred U.S.$154,555 of exploration expenditures.

(g)

Other

(i)

Tropico

The Company acquired a 100% interest in the property. During 2001, Santoy Resources Ltd. ("Santoy") completed its obligations and earned a 60% interest in the property. The property is subject to a 2.25% NSR.

During 2001, the Company and Santoy entered into an agreement with Sumitomo Metal Mining Ltd. which was terminated during 2003.

(ii)

Goz Creek

The Company has a 100% interest in the Goz Creek property, Yukon Territory, which is subject to a 5% net profits interest.

8.

DEFERRED EXPLORATION ADVANCES

At December 31, 2003, the Company has deferred $58,011 received from BHP Billiton World Exploration Inc. in advance of exploration. These funds will be used for further exploration in eastern Mexico.

9.

SHARE CAPITAL

The changes in issued shares for the years ended December 31, 2001, 2002 and 2003 are as follows:

	Number	Price	Amount
Balance, December 31, 2000	13,280,617	$ -	$ 13,226,964
For mineral properties	25,000	2.90	72,500
Issuance to acquire Fairfield Minerals Ltd.	6,877,681	0.25	1,711,312
Adjustment to issued shares on amalgamation	(3,060,292)	-	-
Balance, December 31, 2001	17,123,006		15,010,776
For cash pursuant to private placements	4,150,000	0.43-0.55	1,897,943
For cash on exercise of share purchase warrants	134,750	0.38	51,312
For purchase of mill	122,077	0.65	79,350
For mineral properties	388,889	0.90	350,000
Balance, December 31, 2002	21,918,722		17,389,381
For cash pursuant to private placements	2,773,800	0.70-2.15	2,362,704
For cash on exercise of share purchase warrants	2,771,807	0.42-0.95	1,648,664
For cash on exercise of stock options	162,750	0.30-0.55	75,973
Balance, December 31, 2003	27,627,079		$ 21,476,722

(i)

The Company issued 80,000 units on March 13, 2003 on a private placement basis at a price of $0.80 per share, after incurring issue costs of $1,220. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each whole warrant is exercisable into one non-flow-through common share at $0.95 per share until March 13, 2004.

(ii)

The Company issued 323,500 units on August 7, 2003 on a private placement basis at a price of $0.80 per unit, after incurring issue costs of $14,141. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each whole warrant is exercisable into one non-flow-through common share at $0.80 per share until July 7, 2005. Also, 3,765 units were issued to an agent in consideration of its services.

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

9.

SHARE CAPITAL (Continued)

(iii)

The Company issued 1,700,000 units on September 18, 2003 on a private placement basis at a price of $0.70 per unit, after incurring issue costs of $112,776. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at $1.25 per share until September 18, 2004, at $1.50 per share until September 18, 2005, at $1.75 per share until September 18, 2006, at $2.00 per share until September 18, 2007 and at $2.25 per share until September 18, 2008. In the event that, at any time after September 18, 2004, the weighted average trading price of the Company's common shares for any 20 consecutive trading days is $0.50 or more above the then current exercise price (the twentieth such trading day being the "Determination"), the Company agrees to immediately notify the Holder (the "Notice of Expiry") of the accelerated expiry date, which is a date not less than the thirtieth calendar day following the date of the Notice of Expiry (the "Accelerated Expiry Date"). All warrants not exercised by the expiration of the Accelerated Expiry Date shall be deemed cancelled without further notice to the Holders. Also, 119,000 units were issued to an agent in consideration of its services.

(iv)

The Company issued 55,000 units and 70,000 flow-through common shares on October 28, 2003 on a private placement basis at a price of $1.50 per unit and per share, after incurring issue costs of $4,881. Each unit consists of one flow-through common share and one-half common share purchase warrant. Each whole warrant is exercisable into one non-flow through common share at $1.60 per share until October 28, 2004. Also, 825 units were issued to an agent in consideration of its services.

(v)

The Company issued 280,000 units on December 30, 2003 on a private placement basis at a price of $1.50 per share, after incurring issue costs of $6,300. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at $1.85 per share until December 30, 2005.

(vi)

The Company issued 5,000 flow-through common shares and 135,000 units on December 30, 2003 on a private placement basis at a price of $2.15 per share and per unit, after incurring issue costs of $10,504. Each unit consists of one flow-through common share and one-half common share purchase warrants. Each whole warrant is exercisable into one non-flow-through common share at $2.25 until December 30, 2005. Also, 1,710 units were issued to an agent in consideration of its services.

On January 12, 2004, the Company completed a private placement of 1,300,000 common shares at a price of $1.32 per share, after incurring share issue costs of $16,565. These funds were received by the Company prior to December 31, 2003 and have been recorded as a subscription for shares.

107

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

9.

SHARE CAPITAL (Continued)

Warrants

	Number of Warrants	Expiry Date	Exercise Price Range
Outstanding, January 1, 2001	2,353,000	January 9, 2001 to	$0.26 to $5.02

		October 1, 2004	
Adjustment on amalgamation	(405,490)	-	3.95 - 6.52
Expired	(590,000)	-	0.55-3.20
Outstanding,		January 9, 2002 to	
December 31, 2001	1,357,510	October 1, 2004	0.38 to 6.52
Granted	2,925,000	-	0.51 to 0.70
Exercised	(134,750)	-	0.38
Expired	(310,310)	-	3.95 to 6.52
Outstanding,		April 2, 2003 to	
December 31, 2002	3,837,450	October 15, 2004	0.42 to 0.70
Granted	2,258,901	-	0.95 to 2.25
Exercised	(2,771,807)	-	0.42 to 0.95
Outstanding,		March 13, 2004 to	
December 31, 2003	3,324,544	September 18, 2008	$0.47 to $2.25

At December 31, 2003, the following share purchase warrants were outstanding:

Number of Warrants	Expiry Date	Exercise Price Range
20,000	March 13, 2004	$ 0.95
622,500	April 2, 2004	0.60
1,819,000	September 18, 2004/2005/	1.25/1.50/
	2006/2007/2008	1.75/2.00/2.25
450,450	October 1, 2004	0.47
50,000	October 15, 2004	0.70
27,914	October 28, 2004	1.60
126,325	August 7, 2005	0.80
140,000	December 30, 2005	1.85
68,355	December 30, 2005	2.25
3,324,544		

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

9.

SHARE CAPITAL (Continued)

At December 31, 2003, 77,000 of the warrants outstanding are held by directors (2002 - 959,700).

Options

The Company has a fixed stock option plan which permits the issuance of options up to 10% of the Company's issued share capital. During 2002, the maximum number of shares reserved for issuance under this plan was increased from 1,000,000 to 2,000,000. At December 31, 2003, the Company has reserved 1,955,000 stock options that may be granted. The exercise price of an option cannot be less than the closing price of the common shares on the Toronto Stock Exchange on the day immediately preceding the grant of the option and the maximum term of all options is ten years. The Company also has stock options outstanding relating to the period before the introduction of the fixed stock option plan.

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. All options granted during 2003 vested on the date granted.

The following table presents the outstanding options as of December 31, 2003, 2002 and 2001 and changes during the years ended on those dates:

	2003		2002		2001	
		Weighted		Weighted		Weighted

Fixed Options	Shares	Average Exercise Price	Shares	Average Exercise Price	Shares	Average Exercise Price
Outstanding at beginning of year	**2,734,533**	**$ 0.44**	1,759,533	$ 0.38	1,212,261	$ 0.34
Granted	**504,000**	**0.85**	975,000	0.55	118,301	0.21
Reduction due to amalgamation	**-**	**-**	-	-	(306,029)	-
Exercised	**162,750**	**0.42**	-	-	-	-
Issued in exchange for Fairfield options	**-**	**-**	-	-	735,000	0.30
Outstanding at end of year	**3,075,783**	**$ 0.53**	2,734,533	$ 0.44	1,759,533	$ 0.38
Options exercisable at year-end	**3,075,783**		2,734,533		1,759,533	

109

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

9.

SHARE CAPITAL (Continued)

Options (continued)

The following table summarizes information about stock options outstanding at December 31, 2003:

Options Outstanding and Exercisable		
Number of Shares	Expiry Date	Exercise Price
77,000	May 4, 2005	$ 0.49
675,000	March 1, 2006	0.30
91,092	August 23, 2006	0.27
930,000	February 28, 2007	0.55
379,000	February 26, 2008	0.80
75,000	April 7, 2008	0.74
50,000	September 26, 2008	1.37
644,691	October 7, 2008	0.45
154,000	December 1, 2009	0.39
3,075,783		

The weighted-average grant date fair value of stock options granted in the year ended December 31, 2003 was $0.43 (2002 - $0.17). The fair value of these options were determined on the date of the grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2003	2002
Risk free interest rate	**3.3%**	4.2%
Expected life	**4.5 years**	5 years
Expected volatility	**62%**	60%
Expected dividends	**$Nil**	$Nil

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

10.

RELATED PARTY TRANSACTIONS

A company controlled by the founding shareholder of the Company was paid $110,400 for technical services and website management services during 2003 (2002 - $102,000; 2001 - $13,000).

A company controlled by a relative of the founding shareholder of the Company was paid $80,064 for geological services during 2003 (2002 - $68,300; 2001 - $43,550).

An officer of the Company was paid $53,075 for professional services rendered during 2003 (2002 - $48,800; 2001 - $20,800).

The above transactions were recorded at the amounts agreed to between the parties.

11.

SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental information regarding non-cash transactions is as follows:

	Years ended December 31,		
	2003	2002	2001
Investing activities			
Acquisition of subsidiary	**$ -**	$ -	$ 1,711,312
Acquisition of fixed assets			

in exchange for mineral			
properties recoveries	**25,000**	-	-
Financing activities			
Issuance of common shares			
for mineral properties	**-**	350,000	72,500
Issuance of common shares			
for purchase of mill	**-**	79,350	-

Other supplementary information:

	Years ended December 31,		
	2003	2002	2001
Interest paid	**$ 2,436**	$ -	$ -
Income and mining taxes paid	**34,461**	110,154	-

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

12.

SEGMENTED INFORMATION

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

The Company's revenues arose primarily from gold sales, interest income on corporate cash reserves and revenue from mineral properties. The Company has non-current assets in the following geographic locations:

	2003	2002
Canada	**$ 2,687,615**	$ 1,761,048
Mexico	**2,066,081**	1,898,810
	$ 4,753,696	$ 3,659,858

The Company earns revenue in the following geographic locations:

	2003	2002	2001
Canada	**$ 110,230**	$ 122,538	$ 30,260
Mexico	**-**	-	278
	$ 110,230	$ 122,538	$ 30,538

13.

FINANCIAL RISK

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

14.

FAIR VALUE

The Company's financial instruments include cash and cash equivalents, accounts receivable, marketable securities and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values.

112

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

15.

INCOME TAXES

The Company's Canadian income tax rate is approximately 37.6% (2002 - 39.6%; 2001 - 45%) while the Mexico income tax rate is approximately 35%. The provision for income taxes differs from the amounts computed by applying the statutory rates to the loss before tax provision due to the following:

	2003	2002	2001
Statutory rate	**37.6%**	39.6%	45.0%
Income taxes recovered at the Canadian statutory rate	**$ 425,000**	$ 1,207,300	$ 292,540
Effect of lower tax rates in foreign jurisdiction	**(1,200)**	(3,900)	(6,863)
Non-deductible expenses	**(83,000)**	(61,000)	-
	340,800	1,142,400	285,677
Tax losses not recognized in period benefit arose	**(340,800)**	(1,142,400)	(285,677)
	$ -	$ -	$ -

The approximate tax effects of each type of temporary difference that gives rise to future tax assets are as follows:

	2003	2002
Operating loss carryforwards	**$ 2,241,000**	$ 1,799,000
Canadian exploration expenditures and foreign exploration and development costs in excess of book value of resource properties	**3,616,000**	3,153,000
Impairment of long-term investment	**21,800**	21,800
Undeducted capital cost allowance on fixed assets	**71,000**	93,600
	5,949,800	5,067,400
Valuation loss provision	**(5,949,800)**	(5,067,400)
	$ -	$ -

At December 31, 2003, the Company had operating loss carryforwards available for tax purposes in Canada and Mexico of $6,305,000 which expire between 2005 and 2013.

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

16.

CONTINGENCY

The Company was assessed additional mineral tax of $197,233 plus interest of $84,638 by the British Columbia Ministry of Energy and Mines (the "Ministry"). The assessment relates to the deductibility of certain expenditures between February 1, 1995 and January 31, 1997. While management intends to defend its position, the outcome of this issue is uncertain. In order to reduce the exposure to interest charges, the Company paid $281,871. This amount will be refunded with interest if the Company is successful in defending its position.

In addition, should the Company be unsuccessful in defending its position, approximately $353,000 will be payable in respect of gold sales in fiscal 2000 to 2002. The Company has provided for the liability arising from the assessment. Any recovery will be credited to operations when received.

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") which, in these financial statements are different in some respects from those in the United States ("U.S. GAAP"). The following is a reconciliation:

	2003	2002
Consolidated Balance Sheets		
Total assets under Canadian GAAP	**$ 10,341,770**	$ 5,635,752
Write-off of deferred exploration costs (a)	**(1,358,352)**	(683,936)
Adjustment to marketable securities (c)	**899,211**	180,760
Total assets under U.S. GAAP	**$ 9,882,629**	$ 5,132,576
Shareholders' equity under Canadian GAAP	**$ 9,854,481**	$ 5,181,485
Write-off of deferred exploration costs (a)	**(1,358,352)**	(633,936)
Adjustment to marketable securities (c)	**899,211**	180,760
Shareholders' equity under U.S. GAAP	**$ 9,395,340**	$ 4,728,309

114

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

	2003	2002	2001
Consolidated Statements of Loss and Deficit			
Net loss under Canadian GAAP	**$ (1,326,305)**	$ (3,198,025)	$ (650,095)
Write-off of current period deferred exploration costs (a)	**(742,857)**	(780,647)	(135,376)
Add back of deferred exploration costs written off in the current year (a)	**68,441**	1,265,869	47,595
Gold recoveries in the current year applied to reduce deferred exploration costs (a)	**-**	140,886	-
Reversal of retroactive application of accounting change (b)	**-**	162,000	-
Net loss under U.S. GAAP	**$ (2,000,721)**	$ (2,409,917)	$ (737,876)
Net loss per share under U.S. GAAP	**$ (0.09)**	$ (0.13)	$ (0.05)

	2003	2002	2001
Consolidated Statements of Cash Flows			
Operating activities			
Operating activities under Canadian GAAP	**$ (911,766)**	$ (855,487)	$ (296,761)
Exploration (a)	**(742,857)**	(780,647)	(135,376)

Operating activities under			
U.S. GAAP	**(1,654,623)**	(1,636,134)	(432,137)
Investing activities			
Investing activities under			
Canadian GAAP	**(993,588)**	(832,251)	283,262
Deferred exploration (a)	**742,857**	780,647	135,376
Investing activities under			
U.S. GAAP	**(250,731)**	(51,604)	418,638

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(a)

Canadian GAAP allows exploration costs and costs of acquiring mineral rights to be capitalized during the search for a commercially mineable body of ore. Under US GAAP, exploration expenditures can only be deferred subsequent to the establishment of mining reserves. For US GAAP purposes, the Company therefore expensed its exploration expenditures.

(b)

During 2003, the Company adopted the fair value based method of accounting under Canadian GAAP for stock-based compensation, as described in Notes 2 (j) and 3, with retroactive application with restatement of the prior year's income statement. Statement of Financial Accounting Standards ("SFAS") No. 148, *Accounting for Stock-based*

Compensation - Transition and Disclosure, issued by the United States Financial Accounting Standards Board ("FASB") provides alternative methods of transition for entities that voluntarily change to the fair value based method of accounting and amends the disclosure provisions of SFAS No. 123, *Accounting for Stock-based Compensation*. For US GAAP purposes, the Company has adopted SFAS No. 123 prospectively as of January 1, 2003. As a result, the stock option compensation expense recognized in 2002 under Canadian GAAP has been reversed for US GAAP purposes.

Prior to 2002, in accordance with SFAS No. 123 and Accounting Principles Board Opinion No. 25, which specifies use of the intrinsic value method, since stock options were granted at the quoted market value of the Company's common shares at the date of grant, no compensation cost was recognized by the Company under US GAAP.

Had the fair value assigned to the stock options granted during the year ended December 31, 2002 been charged to net earnings, the net loss for US GAAP purposes for the year ended December 31, 2002 would have been $2,571,917 while the basic and diluted loss per share would remain unchanged. The weighted average assumptions used for this calculation are consistent with those disclosed in Note 9.

Under Canadian GAAP, the measurement of the recorded stock-based compensation, as well as the assumptions and methodology, are consistent with those prescribed by SFAS No. 123.

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(c)

In May 1993, the FASB issued SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities* ("SFAS No. 115"). Under SFAS No. 115, management determines the appropriate classification of investments in debt and equity securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Under SFAS No. 115, equity securities and long-term investments are classified as available-for-sale securities and accordingly, is required to include the net unrealized holding gain on these securities in other comprehensive income. SFAS No. 130, *Reporting Comprehensive Income*, establishes standards for the reporting and display of comprehensive income and its components (revenue, expenses, gains and losses) in a full set of general purpose financial statements. Details would be disclosed as follows:

	2003	2002	2001
Net loss under U.S. GAAP	**$ (2,000,721)**	$ (2,409,917)	$ (737,876)
Other comprehensive income			
Adjustment to unrealized gains on available-for-sale securities	**718,451**	119,530	(770)
Comprehensive loss under U.S. GAAP	**$ (1,282,270)**	$ (2,290,387)	$ (738,646)

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(d)

In June 1998, the FASB issued SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, which established accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 requires an entity to measure all derivatives at fair value and to recognize them in the balance sheet as an asset or liability, depending on the entity's rights or obligations under the applicable derivative contract. On June 15, 2000, the FASB issued SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133*, which amends the accounting and reporting standards of SFAS No. 133 for certain derivative instruments and certain hedging activities. The Company's adoption of this statement on January 1, 2001 did not have an effect on the Company's financial position or results of operations.

(e)

Under Canadian GAAP, future income taxes are calculated based on enacted or substantially enacted tax rates applicable to future years. Under US GAAP, only enacted rates are used in the calculation of future income taxes. This difference in GAAP did not result in a difference in the financial position, results of operations or cash flows of the Company for the years ended December 31, 2003, 2002 and 2001.

(f)

Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company has accounted for the issue of flow-through shares using the deferral method in accordance with Canadian GAAP. At the time of issue, the funds received are recorded as share capital. For U.S. GAAP, the premium paid in excess of the market value is credited to other liabilities and included in income as the qualifying expenditures are made. There was no premium on the flow-through shares issued for all periods presented.

Also, notwithstanding whether there is a specific requirement to segregate the funds, the flow-through funds which are unexpended at the consolidated balance sheet dates are considered to be restricted and are not considered to be cash or cash equivalents under U.S. GAAP. As at December 31, 2003, unexpended flow-through funds were $393,481 (2002 - $127,305).

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(g)

Recent accounting pronouncements

In June 2001, the FASB issued SFAS No. 143, *Accounting for Asset Retirement Obligations* ("SFAS 143"), which addresses financial accounting and reporting for obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and (or) the normal operation of a long-lived assets, except for certain obligations of leases. SFAS 143 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. When the liability is initially recorded an entity capitalizes the cost by increasing the carrying amount of the related long-lived assets. Over time the liability is accreted to its present value each period, and the capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. SFAS 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002 with earlier application encouraged. The Company has determined that the adoption of the Statement on its financial statements is not material.

In October 2001, the FASB issued SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. This statements supersedes SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of*. Although retaining many of the fundamental recognition and measurement provisions of SFAS No. 121, the new rules significantly change the criteria that would have to be met to classify an asset as held-for-sale. The statement also supersedes certain provisions of Accounting Principles Board Opinion No. 30, *Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions*, and will require expected future operating losses from discontinued operations to be displayed in discontinued operations in the period(s) in which the losses are incurred rather than as of the measurement date, as presently required. As required by SFAS No. 144, the Company adopted this new statement on March 1, 2002. The adoption of SFAS No. 144 did not have a material impact on the Company's financial position, results of operations or cash flows.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(g)

Recent accounting pronouncements (continued)

In April 2002, the FASB issued SFAS No. 145, *Rescission of FASB Statement No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections*. Among other things, SFAS No. 145 rescinds both SFAS No. 4, *Reporting Gains and Losses from Extinguishment of Debt*, and the amendment to SFAS No. 4, SFAS No. 64, *Extinguishment of Debt Made to Satisfy Sinking Fund Requirements*. Through this rescission, SFAS No. 145 eliminates the requirement (in both SFAS No. 4 and SFAS No. 64) that gains and losses from the extinguishment of debt be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect. Generally, SFAS No. 145 is effective for transactions occurring after May 15, 2002. The adoption of SFAS No. 145 does not have a material impact on the Company's results of operations or its financial position.

In June 2002, the FASB issued SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal of Activities*. SFAS No. 146 requires that the liability for a cost associated with an exit or disposal activity be recognized at its fair value when the liability is incurred. Under previous guidance, a liability for certain exit costs was recognized at the date that management committed to an exit plan, which was generally before the actual liability had occurred. As SFAS No. 146 is effective only for exit or disposal activities initiated after December 31, 2002, the adoption of this statement does not have a material impact on the Company's financial statements for the year ended December 31, 2003.

In November 2002, the FASB issued Interpretation No. 45, *Guarantor's Accounting and Disclosure Requirements for Guarantee, Including Indirect Guarantees of Indebtedness of Others*, ("FIN 45"). FIN 45 requires that upon issuance of a guarantee, a guarantor must recognize a liability for the fair value of an obligation assumed under a guarantee. FIN 45 also requires additional disclosures by a guarantor in its interim and annual financial statements about the obligations associated with guarantees issued. The recognition provisions of FIN 45 will be effective for any guarantees that are issued or modified after December 31, 2002. The Company has determined that the impact of the Statement on the Company's results of operations or financial position is not material.

ALMADEN MINERALS LTD.

(An exploration stage company)

Notes to the Consolidated Financial Statements

(Expressed in Canadian dollars)

17.

DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(g)

Recent accounting pronouncements (continued)

In January 2003, the FASB issued Interpretation No. 46, *Consolidation of Variable Interest Entities*, ("FIN 46") that addresses the consolidation of variable interest entities. In December 2003, the FASB issued a revised Interpretation "FIN 46R". Under the revised Interpretation, an entity deemed to be a business, based on certain specified criteria, need not be evaluated to determine if it is a Variable Interest Entity. The Company must apply the provisions to variable interests in entities created before February 1, 2003 during the quarter ended December 31, 2003. Adoption of FIN 46 and FIN 46R did not have an impact on the Company's financial condition or results of operations.

In April 2003, the FASB issued Statement No. 149 ("SFAS No. 149"), *Amendment of Statement 133 on Derivative Instruments and Hedging Activities*. SFAS No. 149 is intended to result in more consistent reporting of contracts as either freestanding derivative instruments subject to Statement 133 in its entirety, or as hybrid instruments with debt host contracts and embedded derivative features. In addition, SFAS No. 149 clarifies the definition of a derivative by providing guidance on the meaning of initial net investments related to derivatives. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003. The Company does not believe the adoption of SFAS No. 149 will have a material effect on its consolidated financial positions, results of operations or cash flows.

In May 2003, the FASB issued Statement No. 150 ("SFAS No. 150"), *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS No. 150 establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities an equity. SFAS No. 150 represents a significant change in practice in the accounting for a number of financial instruments, including mandatorily redeemable equity instruments and certain equity derivatives. SFAS No. 150 is effective for all financial instruments created or modified after May 31, 2003, and to other instruments as of September 1, 2003. The Company does not expect that the adoption of SFAS No. 150 will have a material impact on its results of operations or financial position.

18.

SUBSEQUENT EVENT

Subsequent to year end, 615,075 share purchase warrants were exercised at an average price of $0.69 per common share and 60,000 stock options were exercised at an average price of $0.40 per share.

ALMADEN MINERALS LTD.

Schedule 1

(An exploration stage company)

Consolidated Schedules of General and Administrative Expenses

(Expressed in Canadian dollars)

	Cumulative amount since incorporation September 25, 1980 to December 31, 2003	Years ended December 31, 2003	2002	2001
Bad debts	$ 130,551	**$ -**	$ -	$ -
Bank charges and interest	38,476	**5,823**	4,732	3,524
B.C. mineral taxes	36,897	**36,897**	-	-
Depreciation	348,269	**38,852**	43,166	26,882
Employee benefits	10,512	**-**	-	-
Insurance	25,426	**6,035**	5,826	2,910
Management services	16,775	**-**	-	-
Office and licenses	883,790	**112,087**	97,255	40,407
Professional fees	1,726,397	**201,356**	222,950	200,855
Rent	404,823	**89,168**	87,208	18,229
Stock exchange fees	174,084	**21,930**	55,196	5,945
Telephone	131,475	**14,212**	12,686	5,562
Transfer agent fees	142,631	**11,674**	12,437	10,809
Travel and promotion	371,202	**67,729**	57,297	11,959
Write-off of incorporation costs	3,298	**-**	-	-
	$ 4,444,606	**$ 605,763**	$ 598,753	$ 327,082

ALMADEN MINERALS LTD.

Schedule 2

(An exploration stage company)

Consolidated Schedule of Share Capital Since Inception

(Expressed in Canadian dollars)

	Number	Price	Amount
For cash upon incorporation	1	$ 1.00	$ 1
For cash from principal (founder's shares)	750,000	0.01	7,500
For cash	1,010,528	0.15	151,579
For cash	292,500	0.25	73,925
For cash from related company of principal	180,000	0.25	45,000
Balance December 31, 1985	2,233,029		278,005
For cash pursuant to public offering, net of issue expenses	700,000	0.56	392,568
For mineral property	40,000	0.70	28,000
Balance December 31, 1986	2,973,029		698,573
For cash pursuant to private placement, net of issue expense	200,000	0.83	165,750
For cash pursuant to private placement	300,000	1.00	300,000
For cash pursuant to private placement, net of issue expense	150,000	1.34	201,432
Balance December 31, 1987	3,623,029		1,365,755
For cash pursuant to private placement	171,000	1.75	299,250
For cash pursuant to private placement, net of issue expenses	297,803	0.90	267,734
For cash	40,000	1.10	44,000
For mineral property	40,000	1.00	40,000
Balance December 31, 1988	4,171,832		2,016,739
For cash pursuant to private placement, net of issue expenses	112,055	1.10	123,260
Balance December 31, 1989	4,283,887		2,139,999
For cash pursuant to private placement	177,778	0.45	80,000
For cash on exercise of stock options	49,500	0.68	33,660
For 100,000 common shares of Pacific Sentinel Gold Corp.	300,000	0.73	219,000
For cash on exercise of stock options	26,000	0.75	19,500
For cash on exercise of stock options	10,000	0.72	7,200
Balance December 31, 1990	4,847,165		2,499,359
For cash on exercise of stock options	40,000	0.72	28,800
Balance December 31, 1991	4,887,165		2,528,159
For mineral property	28,000	0.71	20,000
For cash on exercise of stock options	50,000	0.68	12,500
For cash on exercise of stock options	10,000	0.73	7,500
For cash on exercise of stock options	10,000	0.28	2,800

For cash pursuant to private placement	137,000	0.50	68,500
Balance December 31, 1992 (carried forward)	5,122,165		2,639,459

123

ALMADEN MINERALS LTD.

Schedule 2

(An exploration stage company)

Consolidated Schedule of Share Capital Since Inception

(Expressed in Canadian dollars)

	Number	Price	Amount
Balance December 31, 1992 (brought forward)	5,122,165		$ 2,639,459
For cash on exercise of stock options	290,000	0.28	81,200
For cash on exercise of stock options	50,000	0.33	16,500
For mineral property	24,827	1.45	36,000
For cash pursuant to private placement	85,000	2.34	198,900
For cash pursuant to private placement, net of issue expense	235,046	2.13	500,930
For cash on exercise of stock options	64,000	1.08	69,120
For finders' fee	8,857	0.70	6,200
For mineral property	10,000	0.50	5,000
For finders' fee	5,000	3.30	16,500
Balance December 31, 1993	5,894,895		3,569,809
For cash on exercise of stock options	110,000	1.08	118,800
For cash pursuant to private placement, net of issue expense	200,000	1.18	236,800
For finders' fee	10,642	0.70	7,449
For finders' fee	12,307	1.56	19,200
Balance December 31, 1994	6,227,844		3,952,058

For cash pursuant to private placement, net of issue expense	200,000	1.50	285,000
For cash pursuant to private placement, net of issue expense	75,000	1.30	94,575
For cash on exercise of stock options	120,000	1.28	153,800
For cash on exercise of stock options	250,000	1.13	282,100
For cash on exercise of share purchase warrants	100,000	1.28	128,000
For finders' fee	6,428	0.70	4,500
For mineral property	39,308	1.59	62,500
For mineral property	37,037	1.35	50,000
Balance December 31, 1995	7,055,617		5,012,533
For cash on exercise of stock options	672,000	1.08 - 1.49	899,100
For cash on exercise of share purchase warrants	275,000	1.40 - 1.50	405,000
For cash pursuant to private placement, net of issue expense	120,000	2.00	240,000
For cash pursuant to private placement, net of issue expense	620,000	3.25	1,894,100
For cash on exercise of stock options	720,000	1.43 - 1.86	1,221,050
For mineral property	10,000	3.20	32,000
Balance December 31, 1996	9,472,617		9,703,783
For cash on exercise of stock options	60,000	1.66 - 2.63	109,300
For cash on exercise of share purchase warrants	50,000	2.00	100,000
For cash pursuant to private placements, net of issue expenses	388,000	1.87	725,560
For mineral property	50,000	2.90	145,000
For cash pursuant to private placement, net of issue expenses	296,000	3.14 - 3.53	1,013,371
Balance December 31, 1997 (carried forward)	10,316,617		11,797,014

ALMADEN MINERALS LTD.

Schedule 2

(An exploration stage company)

Consolidated Schedule of Share Capital Since Inception

(Expressed in Canadian dollars)

	Number	Price	Amount
Balance December 31, 1997 (brought forward)	10,316,617		$ 11,797,014
For cash on exercise of share purchase warrants	359,000	1.05	376,950
For mineral property	50,000	2.90	145,000
Balance, December 31, 1998	10,725,617		12,318,964
For cash pursuant to private placement	1,370,000	0.23	308,250
For mineral property	50,000	2.90	145,000
Balance, December 31, 1999	12,145,617		12,772,214
For cash on exercise of stock options	100,000	0.35	35,000
For cash pursuant to private placement	1,000,000	0.345	345,000
For cash on exercise of share purchase warrants	10,000	0.225	2,250
For mineral properties	25,000	2.90	72,500
Balance, December 31, 2000	13,280,617		13,226,964
For mineral properties	25,000	2.90	72,500
Issuance to acquire Fairfield Minerals Ltd.	6,877,681	0.25	1,711,312
Adjustment to issued shares on amalgamation	(3,060,292)	-	-
Balance, December 31, 2001	17,123,006		15,010,776
For cash pursuant to private placements	4,150,000	0.43-0.55	1,897,943
For cash on exercise of share purchase warrants	134,750	0.38	51,312
For purchase of mill	122,077	0.65	79,350
For mineral properties	388,889	0.90	350,000
Balance, December 31, 2002	21,918,722		17,389,381
For cash pursuant to private placements	2,773,800	0.70-2.15	2,362,704
For cash on exercise of share purchase warrants	2,771,807	0.42-0.95	1,648,664
For cash on exercise of stock options	162,750	0.30-0.55	68,498
Balance, December 31, 2003	27,627,079		$ 21,469,247

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: May 11, 2004

By /s/Duane Poliquin

Duane Poliquin, President