ALMADEN MINERALS LTD
Form 20-F
March 31, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISION

Washington, D.C. 20549

FORM 20-F

( )

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

OR

(X)

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

For the fiscal year ended December 31, 2009

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 0-28528

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)

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

Title of each class	Name of each exchange on which registered
Common Stock without Par Value	**NYSE Amex**

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

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.

48,973,145

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 weather 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 weather 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 accelerate filer ( ) Accelerated filer (X) Non-accelerated filer ( )

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 by the International Accounting Standards Board ( ) Other (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.

(X) 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 (X) 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

TABLE OF CONTENTS

		Page
Glossary of Geologic and Mining Terms		4
	PART I	
Item 1	Identity of Directors, Senior Management and Advisers	15
Item 2	Offer Statistics and Expected Timetable	15
Item 3	Key Information	15
Item 4	Information on the Company	21
Item 5	Operating and Financial Review and Prospects	78
Item 6	Directors, Senior Management and Employees	92
Item 7	Major Shareholders and Related Party Transactions	113
Item 8	Financial Information	114
Item 9	The Offer and Listing	115
Item 10	Additional Information	117
Item 11	Quantitative and Qualitative Disclosures About Market Risk	127
Item 12	Description of Securities Other than Equity Securities	127
	PART II	
Item 13	Defaults, Dividend Arrearages and Delinquencies	127
Item 14	Material Modifications to the Rights of Security Holders and Use of Proceeds	127
Item 15	Controls and Procedures	127
Item 16A	Audit Committee Financial Expert	128
Item 16B	Code of Ethics	128
Item 16C	Principal Accountant Fees and Services	129
Item 16D	Exemptions from the Listing Standards for Audit Committees	129
Item 16E	Purchase of Equity Securities by the Issuer and Affiliated Purchasers	129
	PART III	

Item 17	Financial Statements	130
Item 18	Financial Statements	130
Item 19	Exhibits	130
Signatures		174

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.

Feasibility study: A comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.

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 course 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 or 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 nues ardentes. The term includes *welded tuff* and nonwelded but recrystallized ash flows.

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 out-crops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

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.

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.

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.

K-silicate: Potassium-bearing silicates. Potassium silicates are very common rock-forming minerals, however they are also formed by the interaction of hyrothermal 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.

Measured Mineral Resource: A Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, 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.

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.

Mineral Resource: A Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material 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.

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.

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: 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.

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.

Preliminary feasibility study/Pre-feasibility study: A comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social and environmental factors and the evaluation of 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.

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.

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.

Qualified Person: As defined in National Instrument 43-10, an individual who:

a)

is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;

b)

has experience relevant to the subject matter of the mineral project and the technical report and

c)

is a member in good standing of a professional association.

Quartz monzonite: A course 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 (SiO2) to more complex minerals such as orthoclase feldspar (KAlSi3O8) or hornblende (Ca2Na(Mg,Fe)4(Al,Fe,Ti)Si8)22(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 kilometers. 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 $(Na,Ca)(Mg,Fe^{+2},Fe^{+3},Al,Li)_3Al_6(BO_3)_3Si_6O_{18}(OH)_4$; 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: $Ca_2Mg_5Si_8O_{22}(OH)_2$. 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.

Notes Concerning Terminology Related to Resources and Reserves

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 as may be amended from time to time by the CIM. 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, resource is termed "mineralization" or "mineral deposit".

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

This Annual Report uses the terms "measured" and "indicated resources." We advise U.S. investors that while such terms are recognized and permitted under 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 the mineral deposits in these categories will ever be converted into reserves.

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

This Annual Report uses the terms "inferred resources." We advise U.S. investors that while such term is recognized and permitted under 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 any part or all of an inferred resource exists, or is economically or legally minable.

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

Ni: Nickel

NSR: net smelter return royalty

opt: ounces per ton

Oz: Troy ounce

Pb: Lead

Pd: Palladium

PGM: Platinum group minerals

Pt: Platinum

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

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 Company was created by amalgamation under the laws of the Province of British Columbia of its predecessor companies, Almaden Resources Corporation and Fairfield Minerals Ltd., effective December 31, 2001.

The following selected financial data of the Company for Fiscal 2009, Fiscal 2008 and Fiscal 2007 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 2006 and Fiscal 2005 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 elsewhere in this Annual Report.

Reference is made to Note 18 of the audited consolidated financial statements of the Company for Fiscal 2009 included herein for a discussion of the material differences between Canadian generally accepted accounting principles ("Canadian GAAP") and United States generally accepted accounting principles ("U.S. GAAP"), and their effect on the Company's financial statements.

15

Table No. 1

Selected Financial Data

(expressed in thousands of Canadian dollars, except per share data)

	Year Ended 12/31/2009	Year Ended 12/31/2008	Year Ended 12/31/2007	Year Ended 12/31/2006	Year Ended 12/31/2005
Canadian GAAP					
Revenues	$2,441	$1,890	$752	$837	$246
Net loss	(2,193)	(3,962)	(1,049)	(4,269)	(1,095)
Loss per common share	(0.05)	(0.09)	(0.02)	(0.10)	(0.03)
Weighted average shares (000)	45,847	45,007	44,215	41,351	32,079
Working capital	14,530	13,177	17,415	20,242	9,374
Mineral properties	8,417	8,236	6,849	6,405	5,104
Net assets	25,171	24,067	27,262	27,971	15,801
Total assets	25,659	24,402	27,970	28,720	16,367
Capital stock	50,878	49,159	48,226	46,656	31,639
Dividends declared per share	0	0	0	0	0
U.S. GAAP					
Revenues	1,222	1,890	752	837	246
Net loss(1)	(2,573)	(5,999)	(2,853)	(6,032)	(1,852)
Loss per common share(1)	(0.06)	(0.13)	(0.07)	(0.14)	(0.06)
Weighted average shares (000)	45,847	45,007	44,215	41,351	32,079
Working capital	14,530	13,177	17,415	20,622	9,984

Mineral properties	1,728	1,957	1,929	2,023	2,486
Net assets	17,542	16,922	22,155	23,969	13,792
Total assets	18,031	17,257	22,862	24,718	14,358
Capital stock and accumulated paid in capital	50,878	49,159	48,226	46,656	31,639
Dividends declared per share	0	0	0	0	0

[(1)]U.S. GAAP net loss and loss per common share for the year ended 12/31/05 has been restated. Reference is made to Note 18(c) as to differences between Canadian GAAP and U.S. GAAP as to accounting for flow-through shares.

Canadian/U.S. Dollar Exchange Rates

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in Canadian dollars (CDN$). The Government of Canada permits a floating exchange rate to determine the value of the Canadian dollar against the U.S. dollar (U.S.$)

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 12/31/2009	$1.14	$1.30	$1.03	$1.05
Fiscal Year Ended 12/31/2008	1.06	1.30	0.97	1.22
Fiscal Year Ended 12/31/2007	1.07	1.19	0.92	0.99

Fiscal Year Ended 12/31/2006	1.15	1.17	1.10	1.17
Fiscal Year Ended 12/31/2005	1.21	1.27	1.15	1.17

Table No. 3

U.S. Dollar/Canadian Dollar Exchange Rates for Previous Six Months

	September	October	November	December	January	February
High	$1.11	$1.08	$1.07	$1.07	$1.07	$1.07
Low	1.06	1.03	1.05	1.04	1.03	1.04

The exchange rate was 1.02 on March 19, 2010.

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 retains an inventory of 1,597 ounces of gold from previous production by its predecessor ("Fairfield") from the Siwash mine on the Elk property. The gold was mined in 1994 and shipped to the smelter in 1996. The gold produced was retained as inventory by Fairfield. Both the Company and its predecessor have financed their 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 - 9/25/1980. Due to the nature of the Company's business, there can be no assurance that the Company will be profitable under Canadian GAAP. The Company had net losses of $2,192,959 in Fiscal 2009, $3,961,642 in Fiscal 2008 and $1,048,820 in Fiscal 2007.

The cumulative net loss of the Company as at December 31, 2009 was $29,329,415.

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 2009 and 2008, the Company had revenue from exploration and drilling contractor services provided to third parties. Otherwise, the Company has had no prior year's history of earnings or cash flow other than the NSR royalty from the La Trinidad Mine and the bulk sampling on the Elk gold property. Neither the Company nor its predecessor has paid dividends on their shares since incorporation and the Company does not anticipate doing so in the foreseeable future. Historically, the only source of funds available to the Company was through the sale of its equity shares and entering into joint venture agreements. The only source of funds available to the Company's predecessor was through the sale of its inventory of gold, the sale of its equity shares and entering into joint venture agreements. 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 $84,000 on deposit as reclamation bonds for exploration work and site disturbance on the Elk and other prospects in Canada. These allocated funds have been deposited for the benefit of the Province of British Columbia until released upon approval from the Province 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 and its predecessor have 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.

Trading Volume

The relatively low trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares. Due to the reduced liquidity in the secondary markets, shareholders may find it more difficult to sell their shares.

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 22, 2010 there were share purchase options outstanding allowing the holders of these options to purchase 4,760,000 shares of common stock and share purchase warrants outstanding allowing the holders to purchase 2,172,158 shares of common stock. Directors and officers of the Company hold 4,135,000 of these share purchase options. An additional 625,000 share purchase options are held by employees and consultants of the Company. Directors and officers hold 2,500 of these share purchase warrants. Given the fact that as of March 22, 2010 there were 49,308,145 shares of common stock outstanding, the exercise of all of the existing share purchase options and warrants 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 would cause the number of issued and outstanding common shares to rise 9.7%. The exercise of all outstanding share purchase warrants would cause the number of issued and outstanding common shares to rise 4.4%.

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 is 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.

Foreign Incorporation and Civil Liabilities

The Company amalgamated 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 United States. Consequently, it may be difficult for United States investors to effect service of process in the United States upon those directors and officers who are not residents of the United States, or to realize in the United States upon judgements of United States courts predicated upon civil liabilities whether under the United States Securities Exchange Act of 1934, as amended, or otherwise.

Conflict of Interest

Some of the Company's directors and officers are directors and officers of other natural resource or mining-related companies. James McInnes also serves as a director and President of Williams Creek Explorations Limited and Horseshoe Gold Mining Inc. Joseph Montgomery also serves as a director of Abitibi Mining Corp., Sedex Mining Corp., Klondike Gold Corp., Amador Gold Corp., Golden Chalice Resources Inc., Kalahari Resources Inc., Klondike Silver Corp., Chalice Diamonds Corp., Zinccorp Resources Corp. and Infrastructure Materials Corp. Gerald Carlson also serves as a director, President and CEO of Copper Ridge Explorations Inc., director of Blue Sky Uranium Corp., director of Golden Aria Corp., director of Tarsis Resources Ltd., director of Taipan Resources Ltd., and director of Panthera Exploration Inc. Barry Smee also serves a s a director of Platinum Group Metals Ltd. Marc Blythe also serves as a director and President and Chief Executive Officer of Tarsis Resources Ltd. Mark Brown also serves as a director and CFO of Rare Element Resources Ltd. and Portal Resources Ltd. and CEO and director of Fox Resources Ltd. and Everclear Capital Ltd. He also serves as a director of Strategem Capital Inc., Sutter Gold Mining Inc., and Animas Resources Ltd. He also serves as a CFO for Pitchstone Exploration Ltd., Tarsis Resources Ltd., and Rye Patch Gold 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 United States. 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 United States 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. In Fiscal 2007, the Company took out an accidental death insurance policy on Duane Poliquin with a $2,000,000 limit. However, 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 & 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 1199 West Hastings Street, Suite 950, Vancouver, British Columbia, Canada, V6E 3T5.

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 created by amalgamation under the laws of the Province of British Columbia of its predecessor companies, Almaden Resources Corporation and Fairfield Minerals Ltd., effective December 31, 2001. 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 American Stock Exchange, now the NYSE Amex, 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 other company's shares.

Organizational Structure

The Company currently has five wholly-owned subsidiaries that were formed to hold properties in their respective jurisdictions-refer to Exhibit 8 to this 20-F Annual Report.

At December 31, 2009, 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 27.6% share interest in Tarsis Resources Ltd. (formerly Tarsis Capital Corp.), a company incorporated in Alberta, Canada on October 21, 2005 and continued into British Columbia on June 2, 2008.

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, United States 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 contain 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.

Company's Principal Properties

The Company has two principal property interests: (1) the Elk gold, silver property which includes the Siwash Gold deposit in Canada (100% interest), and (2) the Caballo Blanco gold, silver, copper prospect in Mexico (100% interest subject to a sliding scale NSR and a 70% option agreement earn in right by Goldgroup Resources Inc.)

Company's Secondary Properties

The Company's secondary property interests include the ATW diamond prospect in Canada (net 64.8% property interest), the Merit prospect in Canada (100% interest), the San Carlos prospect in Mexico (100% interest), the Yago prospect in Mexico (100% interest), the Tuligtic prospect in Mexico (100% interest), the Matehuapil prospect in Mexico (100% interest subject to a 60% option agreement earn in right by Apex Silver Mines Limited) and the Caldera prospect in Mexico (100% interest).

In February 2010, the Bufa prospect in Mexico was sold to Lincoln Mining Corporation subject to a 2% NSR.

The PV prospect in Canada was sold to Consolidated Spire Ventures Ltd. during Fiscal 2006. The MOR, Tim and other prospects in Canada and the Erika prospect in Mexico were sold to Tarsis Resources Ltd. (formerly Tarsis Capital Corp.) during Fiscal 2007 (refer to The MOR Prospect - Canada). During Fiscal 2008, the Ram prospect in Canada was sold to Ross River Minerals Inc. subject to a 2% NSR and the Prospector Mountain prospect was sold to Tarsis Resources Ltd.

The Company has an investigation portfolio of other property holdings in Canada, United States and Mexico that are not considered either principal or secondary properties. The Company determines the category of a property based on exploration which is always subject to change based upon results received.

The Company also entered into a joint venture agreement in Fiscal 2005 with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to undertake a regional grassroots exploration program for base metal deposits over a selected area in Mexico. During Fiscal 2007, JOGMEC withdrew from all joint venture activities.

Business Overview

Quality Control

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

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 duplicated 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.

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.

In the United States, federal mining laws govern mining claims on federal land, including land administered by the Bureau of Land Management ("BLM"). A payment of U.S.$125 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.

In Mexico, mining law is a federal matter. The government requires annual assessment work, amounts per hectare, which increase with the size and age of the claim. 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.

PRINCIPLE PROPERTY INTEREST IN CANADA

The Elk Property - Canada

The Elk Property contains a known mineral deposit but all current work by the Company on the property is exploratory in nature.

Option to Acquire Interest

Initial staking was undertaken in November 1986 with additions in 1987, 1988, 1989 and 2006. A block comprising 72 units was optioned in October 1988. The Siwash North mining lease was issued in September 1992. Claim acquisition and subsequent work were conducted by Cordilleran Engineering Ltd. for the Company's predecessor ("Fairfield") until April 1995 when Fairfield assumed operations. Fairfield merged with Almaden Resources Corporation in February 2002 and the claims were transferred to the amalgamated company Almaden Minerals Ltd.

Expenditures to Date

During Fiscal 2009, the Company incurred $322,384 in evaluation of the property, primarily on metallurgical testing, economic and engineering analysis and re-interpretation of geology. As at December 31, 2009, the Company had deferred costs of $6,245,752 on this property.

Location and Access

The Elk Property consists of 28 contiguous mineral claims comprising 783 cells plus a 15 hectare mining lease located 40 kilometers west of Peachland, British Columbia in the Similkameen Mining Division. The claims were converted to the new computer based cell system in July and August of 2005.

The claims cover forested, gently rolling hills with fair to poor bedrock exposure. The property is accessible by paved highway, 50 kilometers from Westbank, British Columbia, or 50 kilometers from the town of Merritt, British Columbia.

History

The property includes the Siwash Gold Mine, which, between 1992 and 1997, produced 51,460 ounces (1,600,400 gm) of gold at an average grade of 2.78 oz/t (95.32gm/t).

Work conducted on the property from 1986 to 1991 consisted of geological mapping, prospecting, linecutting, soil sampling, geophysics, excavator trenching (8.69 km), diamond drilling (111 holes, 12,524 m) and road construction.

During 1992, a bulk sample was extracted from an open pit on the Siwash vein in the Siwash North area. It totalled 2240 tons (2032 tonnes) grading 4.016 ounces/ton (137.7 gm/t) gold. A total of 70 reverse circulation holes were drilled to confirm the vein grade and continuity in the 1993 pit expansion area. Open pit mining was carried out by Wiltech Developments of Kelowna, B.C. under the supervision of Cordilleran Engineering. The ore was shipped to the Noranda smelter in Rouyn, Quebec in November.

In 1993, bulk sampling from the open pit continued with the extraction of 3733 tons (3386 tonnes) of mineralized material grading 3.080 oz/t (105.6 gm/t) gold. The 3.5 by 3.0 metre decline was collared at the 1628m elevation in June and reached the 1570m elevation in October. Test mining stopes were excavated at the 1611 and 1570 levels. Ore from the open pit and underground operations was shipped through the summer and fall to the Asarco smelter in Helena Montana. Eleven reverse circulation holes were drilled to the south of the open pit to provide closer spaced data for the planning of the 1994 open pit expansion.

In 1994, Fairfield received a mining permit, the open pit was expanded to a total size of 458,000 cubic metres and 10,119 tons (9,180 tonnes) of ore grading 2.669 oz/ton (91.51gm/t) gold were extracted. The ore was crushed to minus 6 inches and was shipped to the Asarco Smelter in Helena, Montana. Fairfield received credits for gold, silver and silica. An underground drill program was carried out at ten to twenty metre centres for a total of 2419 metres in 84 NQ holes to help define underground mineable shoots.

During 1995 underground development was completed to the 1511m elevation and longhole and shrinkage mining tests were carried out with shrinkage proving to be the more applicable method. An underground drill program comprising 217 NQ holes at ten metres centres for a total of 7612 metres was undertaken to fully test the area accessible by the existing underground development. Ninety-eight surface NQ diamond drill holes tested the areas beyond the reach of the decline and other targets on the claim group for a total of 4645m. Including all previous drilling, an area of about 340m by 150m had been tested at a hole spacing of less than 20m.

Surface diamond drilling totalling 6946.34 meters in 88 holes was completed on the Siwash mining lease during 1996. Detailed drilling was carried out in the area of the proposed Phase 5.5 open pit at approximately 20 meter centers. Five holes were drilled in the Deep B area down dip from the existing underground development. A new vein, known as the WD zone was outlined by 25 holes. A soil geochemistry anomaly in the Gold Creek West area was examined with five drill holes.

Limited prospecting, environmental monitoring and reclamation were done on the property between 1997 and 1999.

During August 2000, Fairfield completed a twelve-hole 1400-metre drill program on the property which targeted three gold bearing quartz vein systems in the Siwash Mine area. Prospecting in a new logging clearcut one kilometre to the east of the mine area has resulted in the discovery of two northeast trending structures coincident with anomalous gold soil values.

During 2001, a 230-metre trenching program comprising seven trenches was carried out on the claims in the Siwash East and Gold Creek West areas. The trenches were dug to determine the source of gold bearing quartz fragments found on surface and in road cuts. Six trenches in the Siwash East area, located 1.7 km to the east of the Siwash Mine site, exposed quartz veins up to 20cm thick and narrow pyritic fault zones cutting quartz monzonite adjacent to an andesite dyke. The andesite dyke was traced over 150 metres in four trenches with strong alteration and narrow bands of pyritic gouge containing quartz fragments in the immediate vicinity of the dyke. Trench SE01-4 was dug to a depth of 2.5 metres and exposed a steeply dipping quartz vein about 20cm thick. A 0.5 by 0.5 meter panel sample of the same vein taken in the wall of the trench returned 0.635 oz/ton (21.8 gm/t) gold and 0.96 oz/ton (32.9 gm/t) silver. Adjacent trenches 35 meters to the west and 50 meters east exposed the andesite dyke with a strong alteration zone but no quartz veins and weak gold values.

Trench GCT01-1 was excavated the Gold Creek West area, 400 meters southwest of the mine site, to further expose a quartz vein discovered earlier in the year by hand trenching. Deeper excavation revealed a discontinuous quartz vein approximately 30cm thick over a length of nine meters hosted in strongly argillically altered quartz monzonite that shows evidence of slumping and deformation. The vein returned a value of 0.598 oz/ton (20.5 gm/t) gold and 1.74 oz/ton (59.6 gm/t) silver from a 0.8 meter by 0.5 meter panel sample.

A comprehensive review of the property database was completed on August 31, 2001 by Leo King, P.Eng., an independent consultant. His report recommends a three stage 9500 meter drill program to further explore the Siwash, Gold Creek West and WD vein systems.

During the 2002 field season twenty six NQ diamond drill holes tested the WD, B Zone, Gold Creek West and Bullion Creek vein systems for a total of 4996m. Seven holes were drilled into the WD zone to test the perimeter of the known shoot. The WD veins were intersected in all holes close to the projected depths. Eleven holes were drilled into the Deep B shoot located immediately below the existing underground development to fill-in the drill spacing to less than 25 meters and to test the perimeter of the known mineralization. Two holes were drilled on the west side of the existing open pit to help determine the feasibility of a pit expansion to the west. The Gold Creek West vein located approximately 450m southwest of the existing open pit was tested with four holes in two 50 meter step-outs to the west of the existing grid. Two holes were drilled into the Bullion Creek structure located 700 meters to the north of the open pit to test a geochemical anomaly.

During Fiscal 2002 the Company purchased a mill for possible use at the Siwash property. The mill, with a rated capacity of 125 tons per day, was purchased for U.S.$75,000 (CDN$118,500). During Fiscal 2003, the mill was dismantled and moved to a storage facility near the property at a cost of $204,766. There has been no feasibility study to justify construction of the mill nor have permits to construct the mill been applied for. The mill was purchased because it would be suitable for processing the Siwash mineralized material and the price was below replacement cost. This low cost could have an impact on project economics. If studies indicate it would not be feasible to install this mill on the Siwash project, the mill will be sold.

Thirty NQ diamond drill holes drilled between August 6 and November 1, 2003 tested the WD Zone for a total of 6570.56m. Seven holes were drilled into the WD vein system to the west of the north-northwest trending RB fault located roughly between 2340E and 2400E.

Twenty five holes were drilled to the east of the RB fault between 2370E and 2670E to extend the known resource. The WD zone(s) were intersected in all but three holes which were terminated before the target depth due to excessive deviation or bad ground conditions. The known zone was extended to 2670E and to a depth of 340m below surface and 380m down dip. Fill-in drilling on sections 2445E, 2495E and 2545E intersected the WD veins at the expected depth however gold grades were not as high as those found on adjacent fences.

The 2004 diamond drill program in the Siwash Gold Mine area was completed in early November for a total of 10,265 meters of NQ drilling in 44 holes. The program extended the known perimeter of the WD zone 150 metres to the east and 100 meters downdip in 50 meter step-outs. Seven holes were drilled into the B zone to test a southwest shoot to depth and to fill in between existing 50 meter intercepts below the existing mine workings. Four holes were drilled to test the Bullion Creek zone over a 100m strike length. All completed holes intersected the projected zones. Two holes were abandoned due to poor ground conditions. Geological interpretation and re-assaying was completed and a summary of composited drill results greater than 10 gm/t-meter Au is listed below.

Hole Number	Depth From (m)	Depth To (m)	Sample Interval(m)	True Width (m)	Zone	Gold gm/t	Silver gm/t
SND04391	55.23	55.74	0.51	0.50	B	74.83	119.25
SND04390	55.05	55.65	0.60	0.60	B	43.40	90.68
SND04390	55.15	68.39	13.24	13.15	B	3.11	4.71
SND04390	43.00	68.39	25.39	24.01	B	1.76	2.58
SND04400	297.29	297.80	0.51	0.50	B	48.12	27.14
SND04403	337.80	338.34	0.54	0.50	B	20.26	9.64
SND04408	192.00	192.58	0.58	0.50	B	22.14	12.64
SND04374	50.10	53.61	3.51	3.42	Bb	8.51	32.79
SND04375	14.87	36.40	21.53	20.43	Bb	0.69	0.14
SND04390	67.39	68.41	1.02	1.00	C	13.73	6.89
SND04369	160.55	161.20	0.65	0.50	WD	24.75	44.22

SND04406	202.23	203.42	1.19	0.50	WD	22.81	32.61
SND04384	155.70	156.88	1.18	1.00	WDa	61.81	99.82
SND04386	198.50	199.21	0.71	0.50	WDa	21.62	26.05
SND04367	214.63	222.74	8.11	5.79	WD2	5.97	4.81
SND04367	214.59	215.34	0.75	0.60	WD2	20.51	14.55
SND04368	157.76	158.32	0.56	0.50	WD2	31.18	32.93
SND04372	233.00	235.60	2.60	2.22	WD2	4.80	7.56
SND04407	179.37	179.90	0.53	0.50	WD2	20.70	53.26
SND04366	176.05	193.20	17.15	11.27	WD2-3	2.39	1.85
SND04367	222.00	222.74	0.74	0.50	WD3	31.71	31.30
SND04367	217.33	222.83	5.50	4.60	WD3	5.94	4.15

Water sampling from eight sites around the mine area has been carried out since 1991 to determine changes in element concentrations due to mining and exploration activities. Metal levels in the major creeks have remained well within guideline limits though some minor increases in Cu and Zn have been noted in the sumps and minor creeks in the immediate minesite area. Benthic invertebrate studies were carried out during 2003, 2004 and 2006 which determined that invertebrate populations have not been significantly effected.

The 2005 diamond drill program in the Siwash Gold Mine area of the Elk property was completed in late October for a total of 8,394 meters of NQ drilling in 36 holes

The high grade core of the WD vein system has now been tested at intervals of 25m along strike and 50m down dip. The vein was intersected in all holes and has a drill tested strike length of 710m and down-dip length of 430m. Four holes tested the continuity of the WD to WD3 zones to the south and west of the 2004 drill grid. All four holes intersected the targeted zones.

Five holes were drilled to test the western projection of a gold shoot in the B vein that was outlined during the 2004 drill program below the existing mine workings. The targeted vein was intersected in four of these holes and one hole was not completed due to poor ground conditions. The PC vein, a flat lying vein located above the B vein, returned significant assay results.

Five holes were drilled into the Siwash Lake Zone located 700m south of the B vein to test the continuity of the veins intersected in 1996. The Lake zone (LZ) veins were intersected in all holes and results are listed below.

Hole Number	From Depth (m)	To Depth (m)	Sample Interval (m)	True Width (m)	Zone	Gold gm/t	Silver gm/t
SND05410	217.31	217.89	0.58	0.50	B	73.565	62.75
SND05411	259.12	260.73	1.61	0.50	B	16.774	26.70
SND05412	269.20	269.78	0.58	0.50	B	13.662	21.78
SND05424	306.36	306.87	0.51	0.50	B	34.348	39.14
SND05426	52.24	52.75	0.51	0.50	B	31.091	67.92
SND05422	25.95	26.46	0.51	0.50	B	10.395	5.85
SLD05438	87.60	88.10	0.50	0.50	LZ1	10.530	19.97
SLD05439	37.30	38.29	0.99	0.75	LZ2	17.127	168.90
SND05423	225.03	225.53	0.50	0.50	PC	41.425	101.81
SND05411	229.64	230.22	0.58	0.50	PC2	36.214	0.00
SND05413	171.36	172.36	1.00	0.50	WD	13.799	37.08
SND05425	120.80	121.66	0.86	0.65	WD	23.455	43.50
SND05426	305.03	305.76	0.73	0.50	WD	14.264	94.58
SND05427	249.23	249.97	0.74	0.50	WD	46.075	86.82
SND05429	195.23	196.65	1.42	0.50	WD	14.710	27.15
SND05432	125.85	126.50	0.65	0.50	WD	19.083	19.64
SND05434	233.48	234.05	0.57	0.50	WD	14.407	30.76
SND05415	280.99	281.70	0.71	0.50	WD2	21.666	26.58
SND05417	249.45	249.98	0.53	0.50	WD2	16.280	90.71
SND05420	169.47	170.25	0.78	0.50	WDa	15.398	35.85
SND05421	228.06	228.77	0.71	0.50	WDb	90.862	127.48
SND05422	258.16	259.78	1.62	0.50	WDb	10.046	11.76
SND05430	135.57	136.09	0.52	0.50	WDb	16.614	25.09

The 2006 program consisted of 8,873 meters of diamond drilling in 58 holes. This program focused on testing the near surface continuity and grade of the WD vein, increasing the density of drill hole intersections to 25 by 50 meters to approximately 100 meters below surface. The vein was intersected in all holes and now has been drill tested along strike for 730 meters and down dip for 450 meters.

Also as part of the 2006 program, seventeen holes were drilled on the B Zone. Four of these holes tested the zone at depth and the remainder the area below and to the east of the open pit.

Four holes tested the Siwash East zone located 2 kilometres of the minesite. Quartz veins adjacent to a steeply dipping andesite dyke were intersected but no significant gold results were returned from sampling.

Assaying has been completed and a summary of composite drill results greater than 10 gram-meters gold is listed below. True widths are based on core to vein angles.

Hole	From (m)	To (m)	Interval (m)	True Width (m)	Gold (oz/t)	Silver (oz/t)	Gold (g/t)	Silver (g/t)
SND06451	20.49	20.79	0.30	0.30	0.418	0.087	14.33	2.98
SND06453	168.12	168.42	0.30	0.26	0.869	0.612	29.79	20.98
SND06454	184.18	184.48	0.30	0.30	2.932	5.746	100.53	197.01
SND06456	178.15	178.45	0.30	0.28	0.871	0.671	29.86	23.01
SND06459	181.25	181.55	0.30	0.28	0.316	0.700	10.83	24.00
SND06461	58.52	58.82	0.30	0.28	0.547	0.146	18.75	5.01
SND06462	299.31	299.81	0.50	0.48	2.125	0.642	72.86	22.01
SND06463	328.99	329.49	0.50	0.47	0.724	1.167	24.82	40.01
SND06463	329.49	329.99	0.50	0.43	0.618	0.467	21.19	16.01
SND06464	139.03	139.28	0.25	0.22	0.403	0.204	13.82	6.99
SND06467	88.92	89.26	0.34	0.31	1.158	2.100	39.70	72.00
SND06467	91.45	91.91	0.46	0.25	0.342	0.671	11.73	23.01
SND06468	120.67	121.27	0.60	0.23	0.525	1.896	18.00	65.01
SND06469	25.72	26.18	0.46	0.45	0.325	1.837	11.14	62.98
SND06470	81.55	81.85	0.30	0.26	0.448	0.437	15.36	14.98
SND06471	86.58	86.91	0.33	0.32	0.421	0.437	14.43	14.98
SND06472	43.03	43.63	0.60	0.52	2.232	7.233	76.53	247.99
SND06472	102.90	103.20	0.30	0.29	0.865	0.612	29.66	20.98
SND06473	112.75	113.08	0.33	0.23	0.442	0.962	15.15	32.98
SND06473	143.37	143.67	0.30	0.24	0.394	0.175	13.51	6.00
SND06475	129.10	129.51	0.41	0.35	0.361	1.721	12.38	59.01
SND06477	26.31	26.70	0.39	0.30	1.315	1.896	45.09	65.01
SND06479	75.65	76.01	0.36	?	0.622	0.904	21.33	30.99
SND06481	63.53	63.83	0.30	0.25	2.418	2.100	82.90	72.00
SND06486	45.03	45.33	0.30	0.27	0.904	1.662	30.99	56.98
SND06487	83.58	84.23	0.65	0.44	0.352	2.333	12.07	79.99
SND06493	74.78	75.40	0.62	0.34	0.311	0.904	10.66	30.99
SND06499	114.06	114.44	0.38	0.25	1.438	2.800	49.30	96.00
SND06501	173.72	174.07	0.35	0.32	0.378	0.787	12.96	26.98
SND06502	42.66	42.96	0.30	0.26	0.370	0.262	12.69	8.98
SND06502	71.91	72.21	0.30	?	2.015	3.412	69.09	116.98

Note:

m signifies meters; g/t signifies grams per tonne; oz/t signifies ounces per ton.

The qualified person and supervisor for the 2006 exploration drill program was Wojtek Jakubowski, P. Geo., an employee of the Company at the time. All samples were analyzed at Acme Analytical Labs ("Acme") in Vancouver using wet geochemical, fire assay and metallics techniques. Duplicates, blanks and standards were inserted into the sample stream as part of the Company's ongoing quality control program at the Elk Deposit. Check assays were carried out by ALS Chemex Labs in Vancouver.

During Fiscal 2007, the Company completed an intensive geological review, involving three senior geologists, of the deposit, resulting in changes to the interpretation of the shape of the orebody. Geologists modeled a total of 25 separate mineralized structures on cross sections and combined these sections to form three dimensional solids using industry standard software. The mineralized solids were grouped geographically into 3 vein sets: B-Veins, WD-Veins and Other veins not related to B or WD. Composites were formed at 0.5 m intervals that honoured the solid boundaries. Semivariograms were produced for structures with sufficient data to model. A block model consisting of blocks 10 m E-W, 2.5 m N-S and 5 m vertical was superimposed over the solids with blocks coded for the percentage of each solid present. Gold grade was interpolated into each block with some proportion of mineralized structure present by ordinary kriging. Blocks were classified as measured, indicated or inferred based on semivariogram parameters and compliance with NI 43-101. Results were presented as grade-tonnage tables for the mineralized portion of the blocks. No external dilution has been applied.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MEASURED AND INDICATED RESOURCES

This section uses the term "Measured Resources" and "Indicated 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. The estimation of measured resources and indicated resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. US investors are cautioned not to assume that mineral resources in these categories will 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. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. US investors are cautioned not to assume that estimates of inferred mineral resources exist, are economically mineable, or will be upgraded into measured or indicated mineral resources.

	MEASURED			**INDICATED**		
Au Cutoff (g/t)	Tonnes> Cutoff (tonnes)	Grade>Cutoff Au (g/t)	Contained Ozs.	Tonnes> Cutoff (tonnes)	Grade>Cutoff Au (g/t)	Contained Ozs.
1.00	**320,000**	**11.585**	**119,200**	**581,000**	**8.952**	**167,200**
	MEASURED PLUS INDICATED			**INFERRED**		
Au Cutoff (g/t)	Tonnes> Cutoff (tonnes)	Grade>Cutoff Au (g/t)	Contained Ozs.	Tonnes> Cutoff (tonnes)	Grade>Cutoff Au (g/t)	Contained Ozs.
1.00	**901,000**	**9.887**	**286,400**	**826,000**	**7.949**	**211,100**

In October 2009, the Company received an updated geological model and 43-101 compliant mineral resource estimate from Lions Gate Geological Consulting Inc. ("LGGC") for its Elk gold deposit. The new model and resource estimate incorporated drilling results from 2007 not included in the previous estimate prepared by Giroux Consultants Ltd. in April, 2007. A review of the new and historical data resulted in a revised geological model and mineral resource estimate. The new model recognises eight separate vein zones that comprise the B vein system and four separate zones that comprise the WD vein. Almaden's management believes that this new model and resource more accurately reflects the geology of the vein system.

29

The Elk project has resource estimate blocks that are both close to surface and may be amendable to open pit mining methods and deeper high grade blocks that may be amenable to underground mining methods. Mr. Gordon Zurowski, P.Eng. of PEG Mining Consultants Inc. ("PEG") produced a pit shell that LGGC incorporated in the mineral resource estimation tabulations. The input parameters used by PEG for the pit shell do not result from project specific studies but are considered to be reasonable cost assumptions for the style and size of the Elk project. The 2009 mineral resource estimate for the Elk project is declared using 1.0 Au g/t cut-off for blocks that are within the resource estimation pit shell and a 5.0 Au g/t cut-off for blocks below the pit shell. A summary of the 2009 LGGC estimate is provided in table 1. LGGC has reviewed the pit-shell parameters and finds them reasonable for inclusion in the mineral resource estimation.

For purposes of an equitable comparison, LGGC also tabulated the gold grade blocks of the 2009 estimate using a global cut-off of 1 g/t Au which was also used in 2007 (Table 2). The 2009 mineral resource estimate includes a minimum vein thickness of between 1.2 and 1.5 meter wide for the vein solids, resulting in dilution of the more narrow vein intercepts. This dilution, accompanied by an updated geological interpretation of the vein sets, has lowered the grade of some vein intercepts but has resulted in an increased tonnage for the 2009 mineral resource estimation.

A complete copy of the report provided by LGGC will be placed on the company's website. The Elk deposit veins are open along strike and to depth. In addition to the B and WD vein systems, there are other known veins and exploration targets on the 15,000 hectare property. The Company's management believes there is excellent potential to increase the mineral resource at the Elk deposit through further exploration. On May 15th, 2008 the Company released results of metallurgical test work performed by G & T Metallurgical Services Ltd. ("G & T") of Kamloops, an ISO 9001:2000 accredited laboratory, on diamond drill core recovered during the 2007 season. The tests, which examined feed grades between 5 and 47 g/t gold, had average gold recoveries of 95% using gravity plus cyanidation. The company owns mill equipment, presently in storage near the property, which could be an important factor in any future development plans for the project.

Summary of the technical details used by LGGC to complete the 2009 Resource Estimate for the Elk Project:

- The Elk gold project is a mesothermal quartz vein gold deposit hosted by the Okanagan Complex Batholith. Two vein systems, the B Vein and the WD Vein have been included in the current resource estimation.

- The resource estimate reported in this news release was prepared by Susan Lomas, P.Geo.,, President and Principal Consultant of Lions Gate Geological Consulting Inc., who is the independent Qualified Person (as defined by NI 43-101) and reviewed the geological and analytical information in sufficient detail to support the data incorporated in the resource estimate. The Mineral Resource was completed on September 21st, 2009, and was built using GEMS® software and includes gold assay results from 419 surface and 290 underground diamond drill holes.
- Drill hole spacing is variable throughout the deposit. The B Vein System has a large underground drilled area where the drill hole spacing approaches 10m, and much of the rest of the vein is supported by 25 m spaced drilling while the edges and deeper sections of the veins have between 50m to 100m spaced drill holes. The WD Vein System is typically supported by 35 to 50m spaced drill holes with wider spaced drilling on the edges and deeper sections of the veins. The B and WD Vein Systems were modeled on sections and three dimensional solids were built to tag the assay database and the block model. The solids were built to a minimum down-hole thickness of 1.2 to 1.5m wide so that the vein solids would have a minimum true thickness of between 1.0 and 1.2m thick.
- There are 9,769 gold assay results in the project database and LGGC tagged 3,432 of them as representing the vein intersections and these were composited to 0.3m and included in the mineral resource estimate. The gold assay results were reviewed for extreme grades and LGGC applied a top gold grade cap to some vein domains and further added a restricted outlier strategy to one of the vein domains to restrict the influence of unusually high gold assays. A total of 35 assays were capped prior to compositing the data. The holes drilled between 2000 and 2007 (the last drill program) were supported by a reasonable QAQC program including blanks, core duplicates and after 2003, Standard Reference Material (purchased from CDN Laboratories) samples were included. Prior to 2000, the entire core sample was shipped for analysis at Acme Laboratories in Vancouver with some check analysis being completed at Chemex Laboratories in Vancouver. LGGC accepts that the gold assay results are reasonable for inclusion in a Mineral Resource Estimation.

- Blocks in the model measure 2m in height, 5m along the long axis of the vein and 1 m wide. This small block size is supported in the best drilled areas of the deposit and was chosen to support a scoping study on underground mining extraction method for the bulk of the deposit. Potential for open pit extraction is also to be studied for the near surface material.
- The gold grade composites were interpolated into the block model using inverse distance method to the fourth power. The block model was validated by visual inspection on sections and plans and by geostatistical review.

- The estimate was classified as Measured, Indicated and Inferred Mineral Resources in accordance with the CIM definition standards for mineral resources and mineral reserves. The classification strategy for the block model considered both the sample spacing and confidence in the geological continuity of the veins.
- Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated mineral resource categories through further drilling, or into mineral reserves once economic considerations are applied.

Recent exploration work

In addition, management decided to update metallurgical parameters for the project. Various reports have been commissioned on the project, however all metallurgical studies pre-date the implementation of NI 43-101. In order to achieve NI 43-101 compliance for the metallurgical testwork, fresh diamond drill holes were completed to provide bulk samples for testing. Metallurgical testwork is being carried out under the supervision of Mr. John Follinsbee, P.Eng.,, of G & T Metallurgical Services Ltd., of Kamloops, BC.

Between August and October, 2007, the Company carried out a diamond drill program on the property, consisting of 2,469 metres of drilling in 9 holes. A summary of the highlights from the assays is presented in the table below:

Hole	From (m)	To (m)	Interval (m)	Gold (g/t)	Gold (opt)
SND07504	36.27	36.63	0.36	2.80	0.08
SND07505	151.65	152.23	0.58	14.60	0.43
SND07506	191.00	194.16	3.16	45.20	1.32
Including	192.10	193.16	1.06	131.00	3.82
SND0707	207.60	207.98	0.38	3.80	0.11
SND0708	157.16	159.66	2.50	10.30	0.30
Including	158.01	158.66	0.65	39.30	1.15
SND0708	399.51	402.01	2.50	26.20	0.76
Including	400.40	401.12	0.72	90.00	2.63
SND07509	31.70	31.98	0.28	30.30	0.88
SND07509	42.66	42.88	0.22	28.10	0.82
SND07509	212.29	214.40	2.11	22.50	0.66
SND07509	219.69	220.76	1.07	8.40	0.25
SND07510	218.95	219.36	0.41	38.60	1.13
SND07511	143.28	143.57	0.29	15.10	0.44
SND07511	178.70	179.22	0.52	27.70	0.81
SND07512	52.84	53.14	0.30	9.42	0.27

The qualified person responsible for supervising the 2007 drill program is Mr. Jim Hylands, B.A.Sc.,, P.Eng., an independent consultant.

During Fiscal 2008, the Company received a report detailing the metallurgical performance of ore samples from the property. Average gold recoveries of 95% were achieved using a gravity plus cyanidation flowsheet over a range of head grades. The tests, which examined feed grades between 5 and 47 g/t gold, were carried out by G & T Metallurgical Services Ltd. ("G & T") of Kamloops on diamond drill core recovered during the 2007 season. G & T is an ISO 9001:2000 accredited laboratory and work was conducted under the supervision of Mr. John Folinsbee, P.Eng. A single gravity plus flotation test achieved a gold recovery of 95% also. Additional flotation tests may be necessary to confirm this result is representative of the expected performance of a gravity plus flotation flowsheet.

Silver recoveries of 86% were reported using the gravity - cyanide flowsheet, although a silver resource has not yet been calculated for the property**.**

Geology and Mineral Deposits

Gold-silver mineralization on the Elk Property is hosted by mesothermal pyritiferous quartz veins and pyritiferous altered granite and volcanics. The mineralized features generally trend northeasterly and are thought to be Late Cretaceous or Tertiary in age. To date, mineralization has been located in eight areas of the Elk property: Siwash North, South Showing, Discovery Showing, Lake Zone, End Zone, Great Wall Zone, Elusive Creek, Gold Creek West, WD Zone and the Bullion Creek area.

Infrastructure

All major services and labour can be found in Merritt or Westbank, towns accessible by four lane highway to the east and west of the property. There is good road access throughout most of the property by logging roads and a major highway (97C) crosses the northern claims. Single phase power is available at the highway 2km north of the mine site. Cell phone and radio phone communications are available from the mine site.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company is currently developing plans for a program of exploration on the property. It is contemplated that newly identified areas of interest will be tested by surface drilling. Total proposed drill footage is not yet determined, but if approved, the drill program will likely cost approximately $800,000. Underground exploration and drilling is also being discussed. Cost estimates have not been received but this could cost approximately $5,000,000. These programs would be contingent on permitting and possibly the availability of financing. LGGC has recommended that Almaden contract the services of an engineering firm to produce an economic analysis of the project to explore the potential for either or both open pit and underground extraction methods. Almaden plans to proceed with this recommendation in 2010 and is in discussions with several engineering firms.

PRINCIPAL PROPERTY INTEREST IN MEXICO

The Caballo Blanco Prospect - Mexico

The Caballo Blanco Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

In 1996, the Company signed an option to purchase agreement with two private Mexican individuals for the approximately 40,000 acre property. Under the terms of the agreement, to earn a 60% 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% NSR from any production. 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 shares of its stock and pay U.S.$668,500 plus value added tax by March 6, 2007 (amended) which issue and payment have been made. The underlying owner would also receive a NSR of 2.5% to 1% ("sliding scale NSR") 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.

In Fiscal 2003, the Company entered into an agreement with Comaplex Minerals Corp. ("Comaplex"). To earn a 60% interest, Comaplex was obligated to keep the property in good standing and incur exploration expenditures totalling U.S.$2,000,000 by January 16, 2007. During Fiscal 2006, Comaplex completed the earn-in requirements. In Fiscal 2007, the Company acquired Comaplex's 60% option interest for U.S.$1,250,000 and made the final payment of U.S.$210,000 plus value added tax to the underlying owner, now holding a 100% interest in the property subject to the sliding scale NSR.

Also in April 2007, the Company entered into an option agreement with Canadian Gold Hunter Corp. ("CGH"). To earn a 70% interest, CGH agreed to keep the property in good standing, issue 1,000,000 million shares of CGH to the Company (received), make a US$500,000 payment (received), incur exploration expenditures totalling U.S.$12,000,000 and fund all costs required for the completion of a bankable feasibility study. The Company would be entitled to participate in whatever terms CGH may have negotiated for production financing.

In February 2010, the Company agreed to terms with NGEx Resources Inc. ("NGEx"; formerly Canadian Gold Hunter Corp.) and Goldgroup Resources Inc. ("Goldgroup"). NGEx and Goldgroup concluded an arrangement whereby Goldgroup could take over NGEx's (not yet exercised) option agreement to acquire a 70% interest in the prospect from Almaden. Under the terms of the agreement, a portion of the property will be separated from that agreement to form the now named "El Cobre" project, to be owned 60% by Almaden and 40% by Goldgroup. This arrangement is subject to Goldgroup earning its 70% interest in the prospect. Goldgroup has agreed to pay a NSR to NGEx of 1.5% on Goldgroup's portion of both the El Cobre and Caballo Blanco projects. Both Almaden and Goldgroup will hold a working interest in the El Cobre Project. Almaden will be the operator of exploration programs.

Expenditures to Date

During Fiscal 2009, the Company incurred $17,062 in exploration costs which were not recovered. As at December 31, 2009, the Company had deferred costs of $71,015 on this prospect.

Location and Access

The Caballo Blanco project, consisting of mineral concessions, currently comprising about 8,200 hectares, is located in the state of Veracruz about 75 kilometres northwest along the Pan American highway in eastern Mexico from the city of Veracruz.

Infrastructure

The prospective areas of the prospect are all located within 10 kilometres of a paved highway and Mexico's only nuclear power plant. Veracruz, located 75 kilometres south of the prospect, is a large and well serviced city.

History and Recent Work

The area was staked in 1993 as a new discovery. The Company carried out limited exploration on the property in 1995 with mixed results, and subsequently provided the owner with funding to continue prospecting under a "grubstake" agreement. Further mineralization was found and an option agreement was negotiated. Since 1996, the Company's efforts have focussed on three distinct areas of alteration and mineralisation known as the Central Grid Zone, Highway Zone and Northern Zone respectively. Most of the work to date has been carried out on the Central Grid and Highway zones. Geological mapping, sampling, geochemical surveys, magnetic and induced polarization (IP) geophysical surveys were carried out, mostly in 1997. A 2,390 metre reverse circulation drill program was carried out by the Company in 1998 on the Central Grid Zone. This drilling intersected both porphyry-style copper-gold mineralization and high-grade gold-silver mineralization in veins apparently spatially peripheral to the porphyry system. In the Highway Zone, soil geochemistry, geologic mapping, and induced polarisation geophysical surveys identified a large altered area containing evidence of a high sulphidation epithermal system. The Northern Zone is a large area of argillic alteration, within which preliminary prospecting and geochemical surveys have identified areas

of elevated gold-copper-arsenic in silcified rock. Highly anomalous values have been found in stream silt samples and boulders in streams, and this area is thought to represent a large unexplored high-sulphidation gold system. In 1999, 2000, and early 2001, the Company carried out limited geological, geochemical, and IP surveys. Late in 2000, the Company purchased exploration data and surrounding claims from Lucero Resources Corp. The Company also purchased a small net smelter return royalty on these claims for $1,000 Canadian dollars from Lucero's successor in early 2003.

In Fiscal 2001, the Company's subsidiary, Minera Gavilan, S.A. de C.V., signed an agreement with Noranda Exploracion Mexico S.A de C.V. ("Noranda"), a subsidiary of Noranda Inc., which was terminated in Fiscal 2002. Noranda carried out geological mapping, some regional geochemical surveying and diamond drilling. Starting in March 2002, Noranda completed 1789 metres of drilling in seven holes, four in the Central Grid area, and three into the Highway Zone area, aimed at porphyry copper targets. At the Company's expense, two short holes were drilled to test a gold target in the Central Grid part of the property.

Later in Fiscal 2003, Comaplex optioned the property from the Company. Work during 2003 at the Highway and Northern zones consisted of sampling, geologic mapping and induced polarization (IP) geophysics and was complimented by analysis of alteration mineralogy with a PIMA portable infrared spectrometer.

Comaplex started building roads for drilling in mid 2004 but experienced difficulty with construction on the Northern Zone. In November 2004, Comaplex started a 3000 metre drill program to test the Central Grid, Highway and Northern zones of the prospect, the centres of which are located roughly 7 kilometers apart. Drilling was carried out by Comaplex in both 2005 and 2006.

In 2007, the Company conducted a program of geological mapping, geochemical surveys, induced polarization (IP), geophysical surveys and alteration studies. CGH subsequently conducted further geological, geochemical and geophysical survey work as well as road building. Late in 2007, CGH started a diamond drill program which continued until mid 2008. A second phase of drilling with a total of 10,000 metres planned started in late November 2008. Only 3,605.55 meters were drilled in 14 drill holes. In-fill drilling in the La Paila Target encountered predominantly massive to micro-vuggy silica with few intervals of the well developed hydrothermal breccias noted in previous drilling. Gold grades encountered are generally low with the best interval occurring in hole 08CBN-029 where 36.58 meters grade 1.13 g/t gold and 3.7 g/t silver. Other significant values include hole 08CBN-033 where 131.11 meters grade 0.59 g/t gold and 1.4 g/t silver including a 27.4 meter interval grading 1.01 g/t gold and 2.7 g/t silver. Based on 2007-2008 and the 2008-2009 drilling, the best gold grades appear related to north trending structures which probably acted as conduits for fluids creating the hydrothermal breccias and depositing gold. Initial metallurgical bottle roll testing on La Paila target material yielded gold recoveries of 55% or less. More test work is necessary to optimize recoveries. A reconnaissance hole drilled 385 meters north and 105 to 110 meters vertically above anomalous gold values obtained from rock samples in Cerro La Cruz intersected massive, crackle brecciated, largely opaline silica with no gold values. These rocks are believed to represent the cooler, upper most portions of the hydrothermal system. Two holes drilled into the Bandera Sur resistivity anomaly encountered similar massive to weak micro-vuggy, largely opaline silica with no gold values. In Bandera Norte, a single reconnaissance hole drilled at the far east end of the 1200 meter long resistivity anomaly intersected hydrothermal breccias with weakly anomalous gold grading 0.02 g/t Au and 0.3 g/t Ag over 35.05 meters.

In the Pedrero copper-gold target, a single step-out hole collared 250 meters east of 08CBCN-019 returned 137.16 meters grading 0.105% copper and 0.10 g/t gold. The hole continues to demonstrate the presence of a large, underlying copper-gold porphyry system that may extend to Porvenir West and ultimately Porvenir.

Geology and Mineralization

The property occurs in a caldera setting in flat lying volcanic rocks of Miocene age, along the northeastern edge of the Trans-Mexican Volcanic Belt. It is a new discovery, first identified by sampling in acid sulphate altered quartz stockwork veining, in a road cut for the main coastal highway which yielded anomalous gold values. The property covers three large hydrothermal alteration zones called the Central Grid, the Highway Zone, and the Northern Zone. The Central Grid area is the most deeply eroded and demonstrates porphyry Cu-Au, and low sulfidation Au-Ag style mineralization. The centres of the Highway and Northern zones are located roughly 7 kilometers apart. Geologic and alteration mapping in these areas has identified extensive zones of acid-sulphate alteration including quartz alunite and residual or vuggy silica alteration zones. These zones of alteration, developed in flat lying volcanic rocks, are interpreted to represent high sulphidation gold-silver epithermal systems. Mineralogical evidence is interpreted to indicate that minimal erosion has taken place and the hydrothermal systems are mainly preserved.

Exploration Results

A geochemical soil survey on a grid that covers roughly 3 kilometers by 3 kilometers in the Central Grid area of the property outlined a number of coincident gold-copper anomalies associated with what appears to be two styles of mineralization within a very large alteration zone. In one area, two creeks contain float rock of porphyry style quartz stockwork veining associated with copper-gold mineralization and K-silicate alteration. A geochemical soil survey outlined a copper anomaly roughly 700 meters by 500 meters, with coincident anomalous gold values. The other style of mineralization, gold-silver-copper-lead quartz stockwork and quartz barite veins, is found in several areas.

Geological mapping found that the anomalous gold values are closely associated with areas of widespread k-silicate alteration and copper staining. The geochemical grid was extended northwards to cover possible extensions to the known highly anomalous values.

An induced polarization and ground magnetic geophysical program over the Central Grid area identified a very broad zone of elevated chargeability enveloping several intense chargeability highs. These chargeability highs are linear in orientation, and are over one km long. Profiles indicate these anomalies extend from surface to significant depths. These linear highs relate spatially to the presence of outcrop and float of quartz-barite-sulfide veining and associated gold soil geochemistry.

A 2,390 meter reverse circulation drill program started in April and was completed in May 1998.

Holes CB-1 and CB-2 were drilled in the porphyry-copper-gold style target.

Hole CB-1 (located at 5100E and 3400N, drilling east at -60^{o}, 167.6m deep) intersected a mineralized feldspar porphyry cut by quartz stockwork veining. Chalcopyrite, pyrite and magnetite occur as coatings on fractures and in disseminated form. Bornite is sparsely disseminated. Anomalous results are: from 3m to 167.6m (164.6m) of 0.15% Cu and 0.223 grams/tonne Au, including from 3m to 110m (107m) of 0.18% Cu and 0.254 grams/tonne Au.

Hole CB-2 (located at 5295E and 3400N, drilling west at -50°, 193.5m deep) was similar to hole CB-1 but sections of the porphyry are more highly clay altered with quartz stockwork veining containing pyrite chalcopyrite, minor galena and sphalerite. Anomalous results are: from 26m to 193.5m (167.5m) of 0.09% Cu and 0.159 grams/tonne Au, including 96m to 108.2m (12.2m) of 0.13% Cu and 0.322 grams/tonne Au; from 153.9m to 193.5m (39.6m) of 0.15% Cu and 0.394 grams/tonne Au; and the last sample 192m to 193.5m (1.5m) of 0.23% Cu and 0.720 grams/tonne Au.

IP geophysical and soil geochemical anomalies were targeted with the drilling over a roughly 1 by 2.2 kilometer area. The water table was consistently intersected at shallow depths. The water flow encountered in many holes limited the practical depth of drilling with the drilling system employed.

An involved quality control program was employed for the project and included the insertion of blanks, standards and duplicates into the sample stream. Samples were submitted blind to Bondar Clegg/ITS labs of North Vancouver for analysis. Industry standard methods of analysis were employed.

Hole CB-3 was collared into a ground magnetic high at 5545 meters east on line 3295N. The hole, drilling west at -50°, passed through 10.7 metres of overburden before intersecting andesite which continued to 153.9 metres, the end of the hole. The andesite is highly altered to hydrothermal magnetite, epidote, chlorite and pyrite. Magnetite and epidote occur as veins and clots throughout the andesite. This style of alteration is similar to magnetite-epidote skarning developed in volcanics adjacent to porphyry Cu-Au deposits elsewhere. Several gold values over 1.52 meter sample widths were elevated with a high of 0.774 grams/tonne Au. This hole was drilled across the assumed dip of the skarned zone and did not penetrate through to an expected andesite/intrusive contact.

Hole CB-4 (collared at 5600 East on line 3524N; drilling east at -50°) passed through 16.8 metres of overburden before penetrating the same andesite to the end of the hole. The andesite is skarned as in hole CB-3, however at depth in the hole silicification, clay alteration and pyrite associated with quartz-sulfide veining were intersected. Several zones contained anomalous assay results.

Results in Hole CB-4 included 39.62 meters from 96.01m to 135.63 meters that averaged 0.25g/t gold and about 1.0 g/t Ag with 0.15% Cu and 0.10% Pb and 0.18% Zn. This interval included a higher grade section from 96.01 meters to 108.20 meters totaling 12.19 meters averaging 3.8 g/t Au, 23 (g/t) Ag, 0.37% Cu, 0.19% Pb and 0.34% Zn. This section relates to strong veining and included a high of 19.9 g/t Au and 26 g/t Ag over 1.52 meters from 102.1 to 103.63 meters. A further zone of mineralization and veining was intersected from 123.4 to 126.5 meters over 3.10 meters of 1.7 g/t Au, 14 g/t Ag, and 0.11% Cu, 0.21% Pb and 0.35% Zn.

Holes CB-5 and CB-6 were drilled further south on line 2000 N at 5760 E and 5600 E respectively. CB-5 was drilled to the west at -50° and CB-6 was drilled east at -50°. Both holes collared in similarly altered andesite

but at shallow depths penetrated a highly silicified, clay altered and pyritized feldspar porphyry. The porphyry is cross-cut by narrow, dark quartz-pyrite-chalcopyrite veinlets.

Intersections in CB-5 included a 13.72 meters zone of veining, from 21.33 meters to 35.05 meters of 1.8 g/t Au, 31 g/t Ag and 0.10% Cu. A second zone was intersected 48.77 meters from 54.86 to 103.63 meters averaging 0.241 g/t Au and 0.06% Cu. Included in this section is a 19.81 meter zone from 83.82 to 103.63 meters averaging 0.446 g/t Au and 0.11% Cu.

CB-6 intersected similar porphyry style mineralization over 67.05 meters from 35.05 meters to 102.1 meters averaging 0.188 g/t Au and 0.05% Cu. This includes a 13.72 meter section from 35.05 to 48.77 meters averaging 0.361 g/t Au and 0.09% Cu. The results from holes CB-5 and CB-6 indicate that porphyry Au-Cu mineralization exists over 1.4 kilometres to the south of the previously released holes, CB-1 and CB-2. The mineralization is associated with the highly altered feldspar porphyry, an entirely different intrusive rock from that intersected in CB-1 and CB-2.

The remaining holes returned lower but still anomalous gold and copper values.

Fluid inclusion work on drill cuttings from the reverse circulation drilling program in the main grid, identified three stages of quartz with several types of inclusions. The early and late stages of quartz and the inclusion characteristics are diagnostic of a classic copper-gold-porphyry system. The intermediate banded quartz is common only in the shallow porphyry systems of the Maricunga Au belt.

Geological mapping, line cutting and geochemical soil sampling on the Highway Zone extended the gold in soils anomaly to cover an area 2 kilometres long, and up to 400 metres wide. Geological mapping and prospecting of this area has found extensive vuggy silica in float and some outcrops in an area of widespread deep weathering and overburden.

On the Northern Zone, the Company conducted further geochemical stream silt sampling to find the source of anomalous gold values in drainages that contained float with multigram gold values in vuggy silica and breccia. The stream silt sampling and follow up geological mapping and prospecting isolated an area of extensive large angular boulders of vuggy silica and subcrop with anomalous gold values.

In order to test the Central Grid and Highway Zone porphyry targets, Noranda drilled 1,789 meters in seven holes. Four were drilled in the Central Grid looking for the extension of the outcropping copper bearing porphyry and three holes were drilled into the previously undrilled Highway Zone. The report summary states "Despite pervasive K-spar flooding potassic alteration associated with the porphyry in the Central Grid and the huge argillic alteration zone that occurs at the Highway Zone, significant copper mineralization was not found." Noranda stated the presence of an important gold deposit in the Central Grid area had not been ruled out but possibilities for an open pittable copper porphyry were reduced. On the Highway Zone, very low values of copper were found but drilling did intersect short intervals of elevated gold. Hole CB-02-07, Noranda's last hole, which was drilled in an area of extensive argillic alteration associated with elevated gold in soil geochemistry had several interesting gold intersections. These included stockwork veining from 51.35 to 84 meters depth within which a 6 meter section averaged 1.42 g/t gold. A sample from 192 to 195 meters depth within a zone of argillic alteration averaged 2.5 g/t gold and the final sample of the hole from 212.0 to 212.5 meters depth returned a gold value of 4.98 g/t gold. The hole was lost at this point due to poor drilling conditions.

Two further holes were attempted at the Company's expense at the end of Noranda's program, under the supervision of an independent consultant. These were located near reverse circulation Hole CB98-04, from Almaden's 1998 program, which intersected 12.2 meters of 3.8 grams of gold per tonne. Hole CB-02-08 was drilled east at -50°, parallel to and about thirty metres south of hole 98-4. It intersected fault gouge in the area where the vein was expected. Hole CB-02-09 was located ninety meters north of CB 98-04 and also aimed east at -50°. This hole intersected a mineralized vein zone from 57.3 to 60.0 meters, and from 69.0 meters to 73.0 meters the recovered material contained fragments of quartz vein material that is mineralized with chalcopyrite, galena, and pyrite. The hole was abandoned in bad ground at 73.0 meters, which is a few metres before the expected location of the zone found in hole CB 98-04.

Comaplex's 2003 program on the Highway zone outlined several prominent areas of alteration and mineralisation. A significant resistivity and chargeability anomaly has resulted from this work over a roughly 5 by 3 kilometer area of acid sulphate alteration characterised by hypogene alunite and vuggy silica.

At the Northern zone, sampling, geologic mapping and PIMA portable infrared spectrometer analyses have defined a roughly 6 by 5 kilometer area of acid sulphate alteration and vuggy silica, including many breccia bodies. Past sampling in these areas by Almaden has returned anomalous gold values, the highest being 11 g/t. The alteration in the Northern zone is very similar to that in the Highway zone, however up until this program very little work had been carried out in this area. Initial sampling by Comaplex returned anomalous gold values from outcrop, the highest being 1 g/t. Outcrop in this area includes breccia bodies containing clasts of vuggy silica. An IP section over the zone outlined a large high resistivity feature.

A drill program that was to have commenced earlier in 2004 was delayed due to additional permitting requirements, shortage of drilling equipment, difficulties in road building and the summer rainy season. Drilling on a portion of the southern Highway zone commenced in November 2004 and shut down for the Christmas season. This work consisted of four holes, three in the Highway Zone (CB-04-02, 03 and 04) and one in the Central Grid area (CB-04-01). To date the drilling on the Highway zone has not tested the principle targets of interest as the holes were drilled to the south of the main vuggy silica bodies, generally found to be the most prospective for gold in high sulphidation systems, in an area of clay dominated alteration. These three holes intersected anomalous gold values in clay altered and silicified volcanics including an interval of 0.22 g/t gold over 16 meters in hole CB-04-03.

Hole CB-04-01 was drilled in the Central Grid area of the property near where two reverse circulation drill holes drilled by Almaden in 1998 intersected porphyry copper-gold mineralization. Hole CB-04-01 was located roughly equidistant from these two holes and intersected a K-silicate and quartz-sulphide veined monzonite body from surface to the end of the hole at 298 meters. The entire length of this hole averaged 0.38 g/t gold and 0.16% copper including two higher grade intervals; 56 meters of 0.84 g/t gold and 0.34% copper from 70 to 128 meters depth and 24 meters from 172 to 194 meters averaging 0.89 g/t gold and 0.28% copper (includes a 10 meter interval averaging 1.7 g/t gold and 0.49% copper). The alteration associated with these intervals (K-silicate alteration including quartz-K-feldspar and chalcopyrite veining and hydrothermal biotite overprinted by quartz-pyrite-chlorite-sericite alteration and veining) is typical of a porphyry copper setting.

Diamond drilling by Comaplex continued in late May 2005. A total of 3 holes totaling 523 meters were drilled from the same setup on the top of Cerro la Cruz in the Northern Zone. A total of 1,500 meters was planned for the program, but further drilling was not possible at the time due to the intensity of the rainy season. In addition Comaplex has reported the drilling was extraordinarily slow and logistically difficult due to the extremely hard and broken nature of the rock. The Northern zone is an area where sampling, geologic mapping and PIMA analyses have defined a large, roughly 6 by 5 kilometer zone of alteration, which includes several areas of massive silicification and vuggy silica, one of which is the Cerro la Cruz area. These areas of massive silicification and vuggy silica are recognized worldwide to be the prospective parts of high-sulphidation gold systems. The Cerro la Cruz area of massive silicification and vuggy silica was the target of drilling in the Northern zone because past sampling on surface has identified significant gold grades in this area.

Due to drilling difficulties outlined above, two of the three holes had to be terminated before they reached their intended depths. All three holes encountered more massive silicification that seems to grade with depth into more brecciated and vuggy silica bodies. Hole CB05-1 was vertical and reached a depth of 136.5 meters. This hole encountered largely massive silica to 76 meters at which point more vuggy material was intersected. Hole CB05-2 was drilled to the east (110 Azimuth) and at a dip of -65. This hole also encountered massive and vuggy silica bodies but was lost at the shallow depth of 72 meters. This hole encountered increasing gold values to the end of the hole in both massive and vuggy silica. Hole CB05-03 was drilled at an azimuth of 342 and a dip of -50 and was the only hole completed to its intended depth which was 314 meters. A section of massive and vuggy silica was intersected from the collar to 200 meters where clay altered volcanic rock was encountered to the end of the hole. This entire section (from the top of the hole to 214 meters) averaged 0.7 g/t gold. Within this section a zone of strongly brecciated and vuggy silica was encountered, a 108 meter section of which (from 66 meters to 174 meters depth) averaged 1.14 g/t. This includes a 40 meter section from 74 to 114 meters depth which averaged 2.35 g/t gold.

More massive silica zones with lower gold values appear to cap vuggy and brecciated zones which carry the most significant gold values as evidenced by hole CB05-3. The intersection in this hole indicates the potential for both grade and size in an entirely untested high-sulphidation gold system. It should be emphasized that the Cerro la Cruz area represents one of several massive and vuggy silica zones within the Northern Zone. In addition the Highway zone, located seven kilometers south of the Northern zone, is also an area of high-sulphidation alteration containing zones of massive and vuggy silicification. In both the Highway and Northern zones areas of massive silicification are dominant which, in light of the results of the current drill program, may cap further zones of brecciated and vuggy silica like that encountered at Cerro la Cruz.

During 2006, Comaplex completed 743.8 meters of drilling in three holes (CB06-01, CB06-02 and CB06-03). All three holes were collared in the vicinity of the 2005 drilling, on the top of Cerro la Cruz of the Northern Zone. Two of the holes (CB06-01 and CB06-02) were drilled to test higher grade surface gold mineralization on the south-west and south-east ridges of the summit. Drillhole CB06-03 was collared approximately 100 meters north on the summit ridge of the Cerro La Cruz target and angled towards the highly anomalous gold mineralization in last year's hole CB05-03 (2.6 g/t gold over 32 meters). Hole CB06-01 intersected 92.65 meters averaging 1.0 grams per tonne from 116 meters depth to the end of the hole (206.65 meters) at which depth the hole was lost due to poor drilling conditions. This intersection included 28.65 meters from 178 meters depth to the end of the hole which averaged 1.8 grams per tonne gold, 18 meters from 178 to 196 meters that averaged 2.3 grams per tonne gold and 8 meters from 186.0 to 192.0 meters averaging 3.7 grams per tonne gold. Hole CB06-01 averaged 0.7 grams per tonne gold over its entire 206.65 meter length. Hole CB06-02 was completed to a depth of 301.14 meters and intersected highly anomalous, but sub 1 gram per tonne gold values which included a 222 meter interval from surface to 222 meters that averaged 0.25 grams per tonne gold. Intervals reported are drill intercepts, rather than calculated true widths.

Hole Number	From (m)	To (m)	Interval (m)	Gold (g/t)
CB06-01	0	206.65	206.65	0.7
Including	116.00	206.65	92.65	1.0
Including	178.00	206.65	28.65	1.8
Including	178.00	196.00	18.00	2.3
Including	186.00	192.00	8.00	3.7
CB06-02	0	222.00	222.00	0.2
CB06-03	0	230.00	230.00	0.8
Including	0	144.00	144.00	1.0
Including	0	76.00	76.00	1.7
Including	12.00	66.00	54.00	2.0
Including	36.00	62.00	26.00	2.5

The Company's 2007 work program found a new centre of porphyry style copper-gold mineralization in the Central grid area, about 3 kilometres northwest of the previously known mineralized area. Geological mapping also found alteration in an area between the Highway and Northern zones which may mean the two are connected or one large zone of alteration and mineralization. CGH conducted further surveys which provided more detail for selecting drill targets and prepared access roads to various areas for drilling.

On March 6, 2007 and April 14, 2008, the Company reported that it has received partial assay results from CGH from the first two diamond-drill holes completed. Hole 07CBN-002 is the first hole drilled by the CGH in the Cerro la Paila target area (formerly referred to as Cerro la Cruz) of the Northern Zone high-sulphidation gold system, which covers an area of some 20 square km. This hole was drilled at -50 degrees E from a collar in the Cerro la Cruz gold zone about 200 meters SW of the collars of past drill holes 05CB-03, 06CB-01 and 06CB-03.

Diamond drill hole 07CBN-001 was drilled about 3 ½ km. to the south west of Cerro la Paila in the Cerro Bandera part of the Northern Zone. This vertical hole was collared in a structurally disturbed zone and was lost in a strong fault at 109.12 meters.

Assay results for 07CBN-001, 002 and 003 are listed below.

Drill Hole	Az/Angle	Depth (m)	Interval (m)	Width (m)	Au g/t	Ag g/t
07CBN-001	-90°	109.12	31.39-42.06	10.67	0.005	22.8
including			39.01-42.06	3.05	0.005	51.7
and			106.07-109.12	3.05	0.009	40.7

07CBN-002	090°/-50°	293.5	29.57-38.71	9.14	0.10	28.3
			38.71-255.12	216.41	0.60	3.1
and including			38.71-104.24	65.53	0.76	3.9
and including			85.95-99.27	13.32	1.03	4.1
and including			230.73-255.12	24.39	1.01	9.5
08CBN-003	090°/-80	246.89	72.54-154.84	82.30	1.08	2.8
including			107.59-124.36	16.77	2.63	3.1

Hole 07CBN-003 is also in the Cerro la Paila target area (formerly referred to as Cerro la Cruz) within the Northern Zone high-sulphidation gold system.

Core holes 08CBN-004 and 08CBN-005 were drilled into the Cerro la Paila gold target.

Complete assay results for 08CBN-004 and 005 are listed below.

Drill Hole	Az/Angle	Depth (m)	Interval (m)	Width (m)	Au g/t	Ag g/t
07CBN-004	080°/-80°	203.61	77.11-171.60	94.49	2.09	1.4
including			128.93-168.55	39.62	3.93	2.3
08CBN-005	090°/-80°	273.71	81.69-212.75	131.06	0.53	1.4
including			84.73-138.07	53.34	0.79	2.3
including			113.69-138.07	24.38	1.08	2.0

Significant assay results for 07CBN-006 to 011, also in the Cerro la Paila gold target, are listed in the table below:

Drill Hole	Az/Angle	Depth (m)	Interval (m)**	Width (m)**	Au g/t	Ag g/t
08CBN-006	090°/-50°	173.20	38.00-48.77	10.77	0.03	425.7
08CBN-007	090°/-70	187.45	No significant	intersections		
08CBN-008*	090°/-50°	213.66	54.86-213.66	158.80	0.85	2.3
including			54.86-135.64	80.78	1.23	3.5

including			54.86-74.68	19.82	2.26	3.3
and			193.55-213.66	20.11	0.90	1.0
08CBN-009*	090°/-50°	135.03	84.73-135.03	50.30	0.66	5.9
including			118.26-135.03	16.77	1.35	7.1
08CBN-010*	090°/-70°	22.25	No significant	intersections		
08CBN-011*	270°/-60°	189.89	99.97-189.89	89.92	1.11	1.4
including			101.49-116.73	15.24	2.07	1.8
and including			144.17-177.70	33.53	1.45	1.9

Notes: * Hole lost above planned target depth. **Intervals are core lengths and true widths may be less than reported here.

A number of the holes, including 08CBN-012, 013, 014 and 016, were lost in mineralized vuggy silica breccias prior to being completed to their planned depths. Holes 08CBN-014 and 016 were drilled through significant intervals of unmineralized andesite before encountering silica breccias with anomalous gold values and then being lost. The last few samples in each hole had the highest gold grades in the hole. Significant assay results for 07CBN-012 to 017 are listed in the table below.

Drill Hole	**Az/Angle**	**Depth (m)**	**Interval (m)****	**Width (m)****	**Au g/t**	**Ag g/t**
08CBN-012*	090°/-50°	227.08	166.12-227.08	60.96	0.99	1.1
including			210.31-227.08	16.77***	3.15	2.9
08CBN-013*	090°/-50	118.26	43.59-118.26	74.67	0.30	2.4
including			89.31-118.26	28.95	0.54	3.9
08CBN-014*	270°/-70°	103.63	99.06-103.63	4.57	0.25	0.5
08CBN-015	090°/-80°	157.89	124.35-150.27	25.92	0.87	1.4
including			136.55-147.21	10.66	1.41	1.3
08CBN016*	120°/-60°	201.17	195.07-201.17	6.10***	0.42	215.0
08CBN-017	090°/-85°	227.99	67.97-131.98	64.01	1.02	1.2
including			105.80-122.53	16.73	2.10	1.7

Notes: * Hole lost above planned target depth. **Intervals are core lengths and true widths may be less than reported here. *** Intervals had very poor core recovery and grades are unreliable.

Significant assay results for 07CBN-018 & 020 in Cerro la Paila.

Drill Hole	Az/Angle	Depth (m)	Interval (m)*	Width (m)*	Au g/t	Ag g/t
08CBN-018	090°/-50°	179.83	71.63-126.49	54.86	1.31	1.4
including			91.44-105.16	13.72	3.21	3.5
08CBN-020	090°/-70	199.64	97.54-199.64	102.1	0.19	0.5
including			135.64-169.16	33.52	0.31	0.8

Significant assay results for 07CBCN-019,021, 022 & 024 in Pedrero.

Drill Hole	Az/Angle	Depth (m)	Interval (m)*	Width (m)*	Au g/t	Cu%
08CBCN-019	180°/-50°	187.45	146.30-187.45	41.15	0.42	0.27
08CBCN-021	180°/-50	108.20	No significant	results		
08CBCN-022	180°/-50°	304.19	132.89-281.33	148.44	0.21	0.17
08CBCN-024	180°/-50°	210.00	56.38-89.91	33.53	0.46	0.02

Significant assay results for 07CBCN-023,025-028 in Porvenir.

Drill Hole	Az/Angle	Depth (m)	Interval (m)*	Width (m)*	Au g/t	Cu %
08CBCN-023	180°/-50°	295.13	12.19-131.06	118.87	0.15	0.12
08CBCN-025	180°/-75°	318.51	117.35-163.06	45.71	0.25	0.14
08CBCN-026	180°/-50°	349.91	94.48-204.21	109.73	0.27	0.17
08CBCN-027	360°/-60°	272.80	91.44-115.82	24.38	0.16	0.18
08CBCN-028	180°/-75°	403.86	39.62-403.86	364.24	0.17	0.12

*Intervals are core lengths and true widths may be less than reported here.

CGH reported on September 23, 2008 that the initial phase of drilling in the Northern Zone had been completed. Nineteen holes totaling 3,464 metres were drilled. At Cerro la Paila, gold-bearing silica breccias have now been traced by surface sampling and diamond drilling over a north-south distance of 750 metres and up to about 350 metres in an east-west direction. The gold-bearing breccias are up to 150 metres thick; however on many sections the drill holes were abandoned in mineralized silica breccias.

On the Central Grid 2,467 metres were drilled in nine holes to test two targets, Pedrero and Porvenir, which are gold-rich porphyry targets defined by coincident magnetic, I.P. and geochemical anomalies. Pedrero and Porvenir are separated by almost three kilometres and are part of a very large sulphide system as defined by I.P. surveys. Broad intervals of copper-gold mineralization are associated with intensely altered monzodiorite intrusions.

In a November 27, 2008 news release, the Company announced that further diamond drilling had commenced. The planned program is up to 10,000 meters in two phases, with the initial phase being 5,000 meters.

In a February 5, 2009 news release, the Company reported that it had received additional assay results from the Cerro la Paila gold target from operating partner CGH.

Drill Hole	Az/Angle	Depth (m)	Interval (m)*	Width (m)*	Au g/t	Ag g/t
08CBN-029	082°/-75°	268.22	100.58-137.16	36.58	1.13	3.7
including			112.77-134.11	21.34	1.33	5.2
08CBN-030	077°/-71°	332.46	99.05-114.29	15.24	0.28	21.5
and			147.82-178.30	30.48	0.38	0.7
08CBN-031	088°/-57°	334.98	114.91-180.44	65.53	0.38	2.0
08CBN-032	090°/-75°	256.03	152.4-249.94	97.54	0.43	1.2
including			152.4-176.78	24.38	0.63	1.0
and including			234.70-248.41	13.71	0.82	1.0
08CBN-033	088°/-57°	246.89	86.86-219.46	132.60	0.58	1.4
including			114.3-131.06	16.76	1.43	1.6
and including			188.98-204.22	15.24	1.41	3.0

*Intervals are core lengths and true widths may be less than reported here.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has no planned 2010 exploration program on the Caballo Blanco prospect with all work being conducted by Goldgroup which is working to earn an interest in the prospect. The Company plans a 2010 exploration program on the El Cobre prospect to include geophysics and drilling with an estimated budget of $150,000 of which the Company is responsible as to 60%.

The ATW Prospect - Canada

This diamond exploration prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

In Fiscal 1992, these claims were acquired directly by staking and additional claims were acquired from Michael Magrum by ATW Resources Ltd. ("ATW"). The Company owned a 40% share interest in ATW along with Williams Creek Explorations Limited-40% share interest and Troymin Resources Ltd.-20% share interest (now Santoy

Resources Ltd.). ATW acts as trustee and these companies are the beneficiaries of a declaration of trust for their respective interest in the prospect. In 1993 the property was optioned to Kennecott Canada Exploration Inc. ("KCEI"). KCEI's interest reverted back to ATW in 2001. ATW then completed a joint venture agreement with Aberex Minerals Ltd.-15% property interest and SouthernEra Resources Limited-10% property interest. A 2% gross overriding royalty on diamonds produced from TR 107 (a portion of the ATW property) is payable to KCEI. An option granted to KCEI under an agreement made as of November 30, 2001, by the Company, together with all other shareholders of ATW, to acquire a 40% share interest in ATW lapsed unexercised.

In January 2005, the Company and Williams Creek acquired Santoy's 20% share interest in ATW and now each owns a 50% share interest in ATW. In 2008 ATW acquired the 10% interest owned by SouthernEra through the elimination of debt of $32,086. Williams Creek failed to contribute to the 2008 program and was diluted to a 34.4% interest in the prospect. Harry Winston Diamond Corporation (formerly Aberex Minerals Ltd.) also did not contribute and was diluted to a 6.8% interest in the project. Williams Creek failed to contribute its share interest to the 2009 program and was diluted further to a 30.0% interest in the prospect. Harry Winston Diamond Corporation also did not contribute and was diluted further to a 5.2% interest in the project. The Company's net interest is now 64.8%

Expenditure to Date

During Fiscal 2009, the Company incurred $399,103 in exploration costs, primarily on a diamond drill program. Several claims were surveying and brought to lease and a further bathymetric survey carried out. As at December 31, 2009, the Company had deferred costs of $894,314 on this prospect.

Location and Access

The ATW property is located roughly equidistant between the Diavik and Snap Lake diamond deposits, on MacKay Lake, Lac de Gras area, Northwest Territories. A winter road to the Diavik and Diamet diamond mines passes through the property.

History and Recent Work

Government geological surveys, widely spaced airborne magnetic surveys and regional mineral exploration programs were carried out in the property area before 1992.

In the summer of 1992, ATW conducted a limited summer till sampling program for diamond indicator minerals, and contracted an airborne magnetic - electromagnetic (EM) survey of the western half of the property. After optioning the property, KCEI conducted several phases of prospecting, till sampling using sonic and reverse circulation drills, ground geophysical surveys, a small helicopter borne magnetic survey, and limited diamond drilling in two programs that totalled 671metres. This work identified a kilometres long train of diamond indicator minerals in glacial till that was followed east under MacKay Lake. Their work also found one kimberlite body, TR107, which contains no diamond indicator minerals, and therefore cannot be the source of the indicator mineral train being followed.

Subsequent to the return of the property by KCEI, the joint venture group conducted an airborne magnetic EM survey in 2001 over the five by five kilometre projected source area of the diamond mineral indicator train. This was followed up by ground geophysics which confirmed the presence of four anomalies found by the airborne survey.

These four targets were diamond drilled in the spring of 2002, but no kimberlite was found.

In early 2003, a sonic drill program of 77 holes was completed to further trace the indicator mineral train previously found and to narrow down the possible source area.

During December 2003, surface Magnetometer and HLEM surveys were carried out on the northeast end of MacKay Lake to determine the source of an indicator mineral trend defined by the sonic drill program. Surface gravity, bathymetry and further HLEM survey were carried out over the same area to help outline the indicator mineral source during February of 2004. The gravity and bathymetry surveys grid were extended in April 2004. All the geophysical work carried out in 2003 and 2004 was done by Aurora Geosciences of Yellowknife, NT. The data from the geophysical surveys was reviewed and interpreted by Martin St. Pierre in December of 2004 and nine low to moderate priority drill targets were defined.

A bathymetry (water depth) survey was carried out in mid-2005 over the projected source area of the indicator mineral train as defined by the 2003 sonic drill program.

In early 2006, a planned 77 hole sonic drill program was cut short due to adverse weather and the early closure of the winter ice road required for prospect access. Eight holes were completed during the program and no significant results reported.

In 2008, ATW completed a 38 sonic drill program to obtain more till samples in an attempt to narrow the area of search for the source of the indicator mineral train. This program collected many Kimberlitic Indicator Minerals (KIMs). Subsequent analysis was encouraging.

On March 5, 2009, the YKDFN ("Yellowknife Dene First Nation") and ATW entered into a forward-looking relationship by signing an Exploration Agreement. In addition to formalizing KYDFN support for ATW's exploration activities, this agreement provides for mutual ongoing communications prioritization of First Nation business and employment opportunities, and YKDFN participation in on-site archaeological studies and environmental monitoring. Understanding that the complex regulatory framework and the ambiguous nature of consultation in the NWT are discouraging exploration investment, YKDFN and the other Akaitcho Dene first Nations finalized the development of an Exploration Agreement with formal ratification in November 2008. This agreement was designed in collaboration with mineral exploration companies to ensure that projects can proceed with efficiency, clarity and certainty. Containing explicit provisions defining the respective roles and responsibilities of both the First Nation and the company, an Exploration Agreement is a mechanism to dispose of consultation obligations and potentially streamline the regulatory process for any company wishing to explore in Akaitcho Territory.

After review of all geophysical data, targets were selected for a 2009 drill program. Nine diamond drill holes were completed but none intersected kimberlite. During the summer of 2009, further bathymetric surveys were completed and new drill target were selected for a diamond drill program to be conducted early in 2010.

Geology and Mineralization

The property area is within the Slave Structural Province. This terrain was formed in the late Archean with late diastrophism. The oldest known rocks appear to be remobilized granitoids, emplaced in a thick volcano-sedimentary sequence. All of these units were subsequently metamorphosed, deformed and also intruded by other mainly granitoid bodies.

The ATW claims overlay Yellowknife Supergroup rocks of the Slave Craton. These Archean rocks consist of, metasediments (greywacke, pelite, minor quartzite, conglomerate, iron formation, and metavolcanics). Some of these formations give magnetic and electromagnetic responses. Large granitoid bodies intrude these rocks. The Proterozoic MacKenzie dyke swarm dominates the airborne magnetics as long continuous magnetic high responses that traverse the property.

Exploration and Drilling Results

Exploration work by KCEI between 1993 and 1998 identified a long diamond indicator mineral train or anomaly in glacial till that extended southeasterly up glacial ice direction. Several geophysical targets were also identified from an airborne magnetometer-EM survey. In 1994, four geophysical targets were drilled, and one of these, TR-107 intersected a kimberlite body, that was not diamondiferous and did not contain diamond indicator minerals. In January 1998, KCEI informed the Company that the main exploration target on the property was the source of the prominent indicator mineral till anomaly. This anomaly contains indicator minerals (garnets and chromites) with chemistry from within the diamond inclusion field suggesting the source will be diamondiferous. This indicator mineral anomaly was been traced to the western edge of MacKay Lake. Reverse circulation (RC) drilling was carried out on the lake ice in early 1998 followed the till anomaly easterly back up the original direction of glacial ice movement towards the anticipated source location. Thirty-three holes for a total of 390 metres drilled at about 100 metre on three lines were completed to sample the till on the lake bottom. The easterly line has four holes 100 metres apart that had elevated counts pyrope garnets (>5) in the basal till, one of these had a very high count of olivines (>50) with elevated values in three holes. The work thus extended the indicator mineral train but no source area was delimited. In 1999, a sonic drill used to sample the till in a fence of holes across the ice movement direction and 13 holes for a total of 479 metres in a single line were drilled about five kilometres up ice direction from the last previous line of RC drill holes. These were essentially devoid of indicator minerals, and so it was concluded that the source area had been narrowed down to a five kilometre by five kilometre area, and that a potential source for the diamond indicator minerals should be looked for between these two lines of holes. Analyses were done at KCEI's Thunder Bay laboratory, an ISO Guide 25 facility.

ATW's 1992 airborne survey did not cover this area, so a contract was given in March 2001 to Fugro Airborne Surveys to carry out a survey of the area between these two lines of holes, and also over a small area in a bay of MacKay Lake further down ice on the mineral train where a small magnetic low was outlined on an old (1960s) government magnetic survey of the area. This work outlined two targets with pipe like characteristics and a long dike like structure that is not magnetic indicating it is not caused by a diabase dike. Surface geophysics confirmed the size and strength of the two pipe targets.

In early 2002, results of microprobe analyses performed on indicator minerals from sampling of the glacial dispersion train on the property were received by ATW from Kennecott Canada Inc. Mineral Services Canada Inc. (Mineral Services), a subsidiary of Mineral Services International, reviewed these microprobe results. The following is an excerpt from the summary of the report provided from Mineral Services:

"A prominent kimberlitic indicator dispersion has been traced up-ice in till samples over a distance of 20 km, and was found by drill sampling to continue in MacKay Lake sediments for a further 3 km, leading to geophysical target ATW-02. The available kimberlitic indicator mineral analyses from this, the MacKay Lake dispersion, comprises 74 olivines, 18 orthopyroxenes, 127 clinopyroxenes and 198 garnets, but no kimberlitic ilmenite or chromite. The compositional characteristics of this indicator assemblage show it to be derived from kimberlite source(s) that have entrained predominantly diamond-stable mantle peridotite along a cold cratonic geotherm similar to that defined by garnet peridotite xenoliths in the Diavik kimberlites. Various samples show this indicator assemblage contains from 16 to 20% G10 garnets, with moderate-Cr2O3 G10 garnets well represented. Based on available data, and assuming that these data are representative of the samples from which they are derived, the source kimberlite(s) are predicted to be at least moderately diamond-bearing. A more definitive assessment of their diamond potential cannot currently be made due to the fact that: eclogitic garnet compositions are not reported; the extent to which the available data are representative of the full indicator mineral population present in the tills and sediments or in specific source bodies is not known; and several critical kimberlite-specific mineralization factors have yet to be determined.

Kimberlitic garnet, orthopyroxene and clinopyroxene recovered from a composite core sample of the TR107 kimberlite reveal compositions quite unlike that seen in exploration samples on the rest of the MacKay Lake property. The TR107 kimberlite apparently sampled essentially only graphite-stable mantle peridotite on an elevated geothermal gradient. The kimberlite core sample is assigned zero diamond potential and it manifestly does not correlate with the intrinsically higher diamond potential of the vast majority of kimberlitic indicator minerals recovered from the property."

In April 2002 a program of drilling geophysical anomalies on the project was completed. No kimberlite was found. Three resistivity low anomalies were tested. Two were explained by graphitic conductors. No explanation was found for the third anomaly.

In early 2003, a till sampling program with seventy-seven holes were drilled to recover samples of basal till samples on several lines of hole between the last two lines of till sampling holes described above. This work narrowed down the anticipated source area to a one kilometre by one kilometre square. Both 2002 and 2003 drill programs were supervised by Almaden personnel.

During December 2003, surface Magnetometer and HLEM surveys were carried out on the northeast end of MacKay Lake to determine the source of an indicator mineral trend defined by the sonic drill program. Surface gravity, bathymetry and HLEM survey were carried out over the same area to help outline the indicator mineral source. The gravity and bathymetry surveys grid were extended in April 2004 for a total of 6.5 line km. All the geophysical work carried out in 2003 and 2004 was done by Aurora Geosciences of Yellowknife NT. The data from the geophysical surveys was reviewed and interpreted by Martin St. Pierre in December of 2004 and nine low to moderate priority targets were defined for drilling.

A bathymetry (water depth) survey was carried out in 2005 over the area defined as the source of the indicator minerals. The bathymetry survey was done by boat in August and September of 2005 at 50m line spacing for a total of 282 line kilometres. The data was then provided to Intrepid Geophysics for the reinterpretation of the gravity surveys with the goal of defining drill targets.

In early 2006, a planned 77 hole sonic drill program was cut short due to adverse weather and the early closure of the winter ice road required for prospect access. Eight holes were completed during the program and no significant results reported.

In 2008, ATW completed a sonic drill program to obtain more till samples in an attempt to narrow the area of search for the source of the indicator mineral train.

Drilling was done at 38 sites located on grid lines two hundred metres apart designed to bracket the possible source or sources of the indicator mineral plume. The program was supervised by APEX Geoscience Ltd (APEX). This program successfully cut the plume off to the east and traced KIMs to this area from the west. From the 38 drill sites, a total of 5,742 KIMs and possible KIMs were collected. This total is comprised of 1648 peridotitic garnets, 218 possible eclogitic garnets, 6 possible picroilmenites, 30 chromites, 74 chrome diopsides and 3766 olivines. Peridotitic garnets range from reddish to bright pink and unabraded grains are reported to be common in each sample that contains these garnets. From one to 200 grains were present in a single sample. Eclogitic garnets are present in amounts from 1 to 26 grains in a single concentrate and a few grains have kimberlite on their surface. Chrome diopsides are present in amounts from 1 to 9 grains and some have a patch of kimberlite on surface suggesting short transportation from source. Olivines are the most abundant KIM, with from 1 to 720 grains in samples that had any.

Samples were collected by APEX and sent in sealed containers to Vancouver Indicator Processors for heavy mineral separation. KIM picking was carried out by KIM Dynamics. For quality control purposes, 26% of all observed sample were observed twice by two different observers. Kris Raffle, P.Geo. of APEX a qualified person under the meaning of National Instrument 43-101 supervised the program.

Past electron microprobe analyses of KIMs from the Mackay Lake project found a significant proportion of high interest G10 garnets, however, in 2008 Mineral Services Canada Inc. (MSC) was retained to do a more comprehensive analysis of the KIMs in an attempt to refine the target areas for future exploration. In October 2008, ATW received results from a Mineral Composition and Surface Texture Study conducted by MSC on mineral grains recovered in 2003 and 2008. MSC's analysis suggests that there could be as many as five distinct kimberlite sources contributing minerals to the Mackay Lake indicator mineral train. The mineral abundance and composition and surface texture data further suggest that these sources may lie within the currently defined mineral train, which extends over an area of approximately 3.5 kilometres by 1.5 kilometres. Three of these sources show the potential to contain diamonds of peridotitic or eclogitic origin. The identification of rare eclogitic garnets with diamond association compositions in this work is encouraging as diamondiferous eclogite can be a significant contributor to the economic potential of kimberlites

In January 2009, ATW received the results of a comprehensive reinterpretation of past magnetic, electromagnetic/resistivity and gravity survey data. The reinterpretation was undertaken by Petra Geophysical Consulting Inc. (Petra) on data from previously completed geophysical surveys done in conjunction with the Spring 2008 sonic drilling. This work has identified a number of high-quality targets. A Spring 2009 exploration program included further ground geophysical surveys and diamond drill testing for at least seven of these targets. Further sonic overburden drilling may also be carried out if warranted.

In the summer of 2009 further bathymetric surveys were completed to provide further information about lake bottom conditions and till formation.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

Early in 2010, a further diamond drill program was initiated to test some newly selected anomalous areas. Again, no kimberlites were intersected.

The Company will consider other means to find the source of the KIMs; this may include further, more closely spaced lines of sonic drill holes next winter and more analysis of previously obtained KIMS.

The Merit Prospect - Canada

The Merit Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

The Merit claim group comprises about 1,906.6 hectares (~19 sq. km) and was acquired by staking during 2004 and 2005 and is 100% owned by the Company.

In Fiscal 2006, the Company entered into an agreement with Williams Creek Explorations Limited ("Williams Creek"). To earn a 60% interest in either the Merit and/or Brookmere prospects, Williams Creek had to incur exploration expenditures of $4,000,000 and issue 1,000,000 shares to the Company by December 31, 2012. During 2008, Williams Creek conducted no work due to funding problems and at year end the prospect reverted to the Company.

Expenditures to Date

During Fiscal 2009, the Company incurred $13,305 of costs on an IP survey. As at December 31, 2009, the Company has written down the carrying value of the prospect to $1.

Location and Access

The prospect is readily accessible by road, 30 kilometres west of Merritt, British Columbia.

History and Recent Work

Pre-acquisition work to September 2004 consisted of prospecting and recon geochemical sampling, based on follow-up of earlier government (BC-RGS) and Company-generated regional gold stream sediment anomalies. Following initial claim staking, in September-October 2004, further similar work was carried out. All of the samples were tested for 36 elements, by Acme Analytical Laboratories in Vancouver, BC.

During 2005 the initial (legacy) claims were converted to electronic (BCGS) grid cell claims, and two additional new cell claims were acquired resulting in a land area expansion from about 1700 hectares to the current 1906.6 hectares on the Merit prospect. The 2005 exploration program comprised further prospecting and recon rock/soil geochemical sampling, a property wide grid soil geochemical survey, limited geological mapping and hand trenching in two mineralized areas - Sullivan Ridge and West Zone.

The rock sample results have identified numerous gold-silver bearing quartz (± calcite) float occurrences, and insitu quartz-carbonate alteration/mineralization along two major northerly (to NNE) - trending structures. Initial Sullivan Ridge grid soil sampling conducted in 2004 over an area of 800 metres by 200 metres on one segment of the main structure has outlined a multi-element anomaly. The main, property wide, grid soil sampling results from 2005 show other discrete areas of elevated gold±arsenic±antimony±mercury. The largest of these (2005) soil anomalies measures 3500 metres long by 300 to 900 metres wide, and is situated between and subparallel to the Sullivan Ridge and West Zone mineral trends.

During 2006, Williams Creek conducted a geological mapping and soil sampling program on the Merit prospect.

During 2007, Williams Creek applied for permits to build roads and drill on the Merit prospect. These permits were obtained too late for the work to be done in the 2007 field season.

During 2008, Williams Creek conducted no work due to funding problems and at year end the prospect reverted to the Company.

During 2009, a brief Induced Polarization survey over Sullivan's Ridge developed a significant resistivity target that corresponds well with the gold in soil anomaly and significant gold assays previously found in hand trenching.

Geology and Mineralization

The Merit prospect is underlain dominantly by the northwest trending belt of intermediate to mafic volcanics and minor sediments of the Cretaceous Spences Bridge Group. This assemblage dips gently to the northeast and is locally overlain by Tertiary (Eocene) mafic to felsic volcanics. Major structural features in the local area are north to northeast trending, steeply dipping normal faults. One such feature, situated adjacent to the eastern claim boundary, is a prominent structural break that extends northward for over 40 kilometres through to and beyond the Highland Valley porphyry copper producing district.

Within the claim area, all of the (float and bedrock) mineral occurrences found to date show characteristics of low sulphidation type epithermal veins and breccias.

The main or El Gordo structure has been traced intermittently along a strike length of 2,700 metres and is highlighted by two segments of exposed alteration and mineralization called Discovery Hill and Sullivan Ridge zones. Both of these zones are characterized by intense iron carbonate-hematitic silica and clay alteration containing elevated to strongly anomalous values of one or more of the epithermal suite trace elements arsenic, antimony, mercury, barium, plus copper and manganese. The more prominent Sullivan Ridge consists of a 10- to 50-metre wide zone that is readily traceable in outcrop and talus over a length of 750 metres. Locally abundant quartz vein and carbonate-quartz breccia occur within the alteration envelope. Grab and trench channel samples of this material from several sites along the zone have yielded anomalous gold and silver analyses. The better gold grades encountered to date are in the northern portion of the Sullivan Ridge Zone, and they occur in veins/breccia that strike northerly versus the NNE trend of the overall structure.

A second, parallel northerly trending structure has been identified 1.5 kilometres to the west of El Gordo. This structure is characterized by the West Zone quartz vein and rubble train which has been traced over a 350-metre strike length. Initial hand trenching across this zone at three closely spaced intervals has revealed a massive hematitic quartz vein having true widths of 1.5 to 2.5 metres. Eighteen continuous chip and grab samples of the vein and altered wallrock material have returned anomalous gold, silver, copper, arsenic, antimony, barium and mercury analyses.

The nature of the alteration and mineralization found to date at Discovery Hill, Sullivan's Ridge and West zones, including the presence of high mercury and barium values, suggests that these zones may represent the upper part of an epithermal system.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company's planned exploration program for Fiscal 2010 consists of further IP and drilling at a budgeted cost of $150,000. The Company is seeking a joint venture partner for this project.

The San Carlos Prospect - Mexico

The San Carlos Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature. The San Carlos Prospect consists of the San Carlos and San Jose claims located in the State of Tamaulipas in Mexico

Option to Acquire Interest

The prospect is owned through the Company's subsidiary, Compania Minera Zapata, S.A. de C.V. The San Carlos claim was acquired directly by staking. The San Jose claim, initially held under option, was purchased outright in February 2001 for U.S.$100,000 plus a 2% NSR. During Fiscal 2007, the Company acquired the NSR for U.S.$20,000 and the issuance of a share purchase warrant for a term of three years exercisable at a price of $3.00 per share, with an estimated fair value of $13,000. The Company has a 100% interest in the prospect.

In March 2004, the Company entered into an agreement (the "Hawkeye Option") with Hawkeye Gold and Diamond Ltd. ("Hawkeye"). In April 2005, the Company signed a revised option agreement with Hawkeye on terms whereby Hawkeye could have earned a 51% interest in the project by paying C$45,475 representing past obligations, issuing a total of 1,250,000 shares to Almaden by April 2008 and incurring exploration expenditures of U.S.$2,000,000 by March 15, 2008 (amended). During Fiscal 2006, Hawkeye terminated its option.

Expenditures to Date

During Fiscal 2009, the Company incurred $101,733 on exploration costs on the prospect, primarily on geology, an IP survey and the payment of Mexican mining taxes of $50,053, all of which were written off to operations. As at December 31, 2009, the Company has written down the carrying value of the prospect to $1.

Location, Access and Climate

The prospect is located in the state of Tamaulipas, which is in the north-eastern part of Mexico. The town of San Carlos is located roughly in the center of the San Carlos claim block. There is two phase power, telephone service, general supplies and a small hotel in this town.

San Carlos is connected by paved road, and is about 100 kilometres north of the capital of Tamaulipas, Ciudad Victoria. The town of Linares, Nuevo Leon is located approximately 80 kilometers northwest of San Carlos. Intermediate to San Carlos and Linares, and connected by an all season dirt road is the mining district of San Jose.

The climate is arid and hot. During the summer months temperatures can average greater than 35 degrees centigrade. The duration and timing of the summer rainy season varies considerably; however, rains generally are expected during the months of June, July and August.

The town of San Carlos is approximately a three and one half hour drive from Monterrey which is a major industrial city with a population of about three million people. Ciudad Victoria and Linares are both about a one and one half hour drive from San Carlos and have populations of over 100,000 people. All necessary supplies can be purchased at these towns and labour is abundant.

History and Recent Work

Accurate historic data is difficult to find, however, it appears that up until 1911 copper-gold mining did occur. At that time, the operator was an English company that built a narrow gauge rail line to the property and a small smelter on the property. There is no record of total production at that time. Several attempts were made to establish production on a small scale from these skarn zones as recently as 1950, records are incomplete but indicate 4,067 tons of direct shipping ore that averaged 4.02% copper (Cu) and 11.24 grams/ton gold (Au) was mined during this period. Fairfield was attracted to this area following a review by management of the geological literature on eastern Mexico. The literature indicated that the many of the igneous rocks are alkalic in composition. This is of interest because many large copper-gold deposits are associated with these types of rocks. The literature also described a skarn zone up to five hundred metres wide. The San Jose area was the site of an historic mining camp (Begonia and Santa Helena mines) that was active during the late 1800's and early 1900's. Production from this area was from a number of high-grade copper-gold skarn orebodies. The old workings are reported to be limited to less than 100 metres below surface. There has been only limited exploration, development, and production from that time until the present activity.

Fairfield acquired a large block of ground over the area and then negotiated terms to acquire the San Jose and Begonia claims. The San Jose Claim was subsequently purchased subject to a 2% royalty.

Property scale prospecting and stream sediment sampling were undertaken in May 1998 and February 1999 by Fairfield's personnel. An airborne magnetometer-electro-magnetic survey was carried out over most of the claim block in April 1999 by Terraquest Ltd. of Mississauga, Ontario. In June 2000 a baseline was cut for geochemical surveying. Assaying and analysis was carried out by Acme Analytical Labs of Vancouver, Canada.

In Fiscal 2001, Aurcana carried out geological mapping, geochemical surveys, underground mapping and sampling in the Begonia and Santa Helena mine areas, and two phases of geophysical surveys. Targets outlined by this work were drilled in two phases in late 2002 and early in 2003. Further limited geochemical surveys to check a gold anomaly on the eastern edge of the previous grid was also carried out. No further work was carried out by Aurcana.

Hawkeye work

In 2004 Hawkeye carried out a geologic mapping, geochemical and geophysical survey and rock and soil sampling program over the area of anomalous soils identified by Aurcana. This work delineated several areas that are deemed anomalous with respect to gold, silver, lead and zinc responses in soil samples and elevated chargeability responses recorded in the induced polarization geophysical survey carried out. Hawkeye has informed that it commenced a drill program in December 2005 that was not completed before breaking for Christmas.

Hawkeye commenced a drill program in December 2005, which was completed in March 2006. In total, 950 metres were diamond drilled in six holes on the prospect. Drill sample assays were completed by Acme Laboratories of Vancouver and no significant results were reported.

On the basis of the drill results, Hawkeye terminated its option agreement with the Company. Hawkeye's geological testwork and drilling examined approximately 25% of the prospect. The Company carried out geophysical and geochemical soil surveys in 2008.

Geology and Mineralization

A trend of alkalic intrusive centers has been recognized in eastern Mexico. These rocks generally form distinct, isolated high relief areas and intrude deformed and thrust faulted, dominantly carbonate strata of the eastern extent of the Sierra Madre Oriental mountain range.

Extrusive and intrusive rocks in the San Carlos area are interpreted to represent the erosional remnant of a denuded shield volcano. The volcanic rocks have been recognized along the margins of a major intrusive complex, and the intrusives are thought to represent shallowly emplaced magmas. The San Jose area is cored by a strongly fractured quartz-microdiorite. To the south of the San Jose area both calc-alkaline and alkaline intrusives occur and have been cut by lamprophyre and phonolite dykes.

Several styles of mineralization are known in the San Carlos district. Manto and vein silver-lead-zinc orebodies hosted in limestone were exploited in the 18th century east of the San Jose district at San Nicolas. These orebodies were very important at that time and at one point the town of San Nicolas reportedly had a population of over 10,000. Several grab samples were taken from dump material and exposures in workings. Most of these showings are held by others but are proximal to the San Carlos claim group.

Mineralization in the San Jose district is closely related to intrusive rocks. Copper sulphides and gold are associated with calc-silicate minerals and magnetite (skarn) that have replaced the limestone country rock. Copper sulphides and gold are also associated with extensive K-silicate alteration and veining within the intrusive body, which was considered to present the potential for a porphyry style gold-copper deposit in the intrusive complex. The geologic setting of the San Carlos project bears many similarities to that of the Grasberg and Bingham Canyon porphyry copper-gold-molybdenum deposits where similar intrusive rocks intrude folded limestone strata forming porphyry, skarn mineralization and more distal lead zinc silver mineralization.

Exploration Results

Stream sediment sampling and prospecting along with examination of old workings in the Begonia and Santa Helena areas, when related to the known geology and airborne magnetic survey results, indicated several areas for follow-up with potential for porphyry and skarn related copper gold deposits. The San Jose area has evolved into the main area of interest and this is the focus for further work.

Aurcana Work

A preliminary prospecting and mapping program confirmed the presence of widespread porphyry style alteration, and copper-gold mineralization in the multi-phase intrusive complex. Aurcana's next program of work was carried out over the San Jose zone and consisted of 1,002 soil samples, ground magnetics and one line of induced polarisation (IP) geophysics, all carried out on a cut grid. The soil survey identified an approximately 1.5 km by 2.0 km area of coincident, elevated copper and molybdenum soil geochemistry, spatially associated with an area of altered and veined intrusive rocks. The copper and molybdenum anomaly remained open to the north and is flanked by elevated

Zn, Pb and Mn in soil. This zonation is typical of that seen in many Cu-Au-Mo porphyry systems world wide. The copper-molybdenum in soil anomaly had a high magnetic response in the ground magnetic geophysical data. In addition to the copper-molybdenum soil anomaly, several Au-Cu soil geochemical anomalies were identified. Of these anomalies, most are associated with known skarn bodies with past copper-gold production but several also constitute new discoveries as they are not spatially associated with known mineralization or past mining.

Detailed mapping and sampling by Aurcana of the La Begonia workings identified a skarn-breccia complex measuring approximately 50 metres by 250 metres. The highly porous and permeable nature of the breccia has permitted oxidation and supergene processes to take place. Within the heavily oxidized, sulphide poor skarn-breccia area, average assay values for continuous channel samples (2 m lengths) were taken. Underground mapping and sampling was also conducted on the Santa Elena Mine, approximately two km north of La Begonia, however access was limited to two stopes due to a high water level in the main access tunnel. While the geological setting at the Santa Elena Mine is similar to La Begonia, the Santa Elena Mine has a lower gold content. It appears that most of the past mining and development was from the oxide horizon. Mapping of the underground workings combined with surface observations identified what appears to be an important structural orientation in the southern portion of the San Jose area. It appears that the gold-copper bearing breccia bodies have formed along north-east trending zones which coincide with several trends identified from

results of a soil geochemical survey conducted in late 2001. The significance of this controlling structure and the coincident geochemical trends is the potential to discover additional high-grade breccia-skarn bodies on the property still held.

The cut grid was extended approximately 1.0 km to the north and provided control to complete a soil geochemical survey. This work, combined with further induced polarization (IP) geophysical surveying and a ground magnetic survey identified a large copper-gold soil anomaly coincident with a chargeability high in the IP results.

In December 2002, Aurcana drilled two diamond drill holes totaling 440 metres to test the Begonia skarn zone. Due to rugged topography, the drill setup was 150 metres from the area of high grade underground sampling. Both holes were from the same setup and did not intersect any sulphide mineralization in the skarn zone in the western end of Begonia.

A second phase of diamond drilling started in February 2003 to test the approximately 1.5 km by 2.5 km area containing the IP anomaly and elevated copper and gold values in soils. Four holes totaling 765 metres were drilled. All holes targeted a depth of approximately 200 metres and all encountered geology indicative of a porphyry system however grades of copper, molybdenum and gold were low.

During its last phase of surface work, Aurcana further defined a gold in soils anomaly at the northeastern edge of the surveyed area. This anomalous area lies over the contact between intrusive rocks and limestone.

Hawkeye work

Hawkeye's work program designed to evaluate the potential for Carbonate Replacement Deposits (CRD) style and copper-gold skarn mineralization around the 9 km periphery of the Tertiary intrusion into the thick section of Cretaceous carbonates.

A total of 21 km of Induced Polarization survey was completed using a pole-dipole technique in a six to eight level array at 50 m slope chained intervals.

The results obtained to date have identified six areas of interest underlain by significant Induced Polarization (IP) anomalies (chargeability highs and coincident resistivity highs and lows) and a combination of coincident anomalous soil and rock geochemical responses. The six targets are outlined in the north and eastern parts of the project area within the carbonate sequence at various distances peripheral to the main San Jose monzonite intrusion. Two of the targets are classified as Au-Cu (Gold-Copper) targets likely associated with proximal and contact skarn and/or fracture mineralization whereas the remaining four are believed to represent more distal carbonate replacement deposit (CRD) style mineralization.

The most widely anomalous element of significance for CRD style mineralization is zinc, forming an intermittent linear north trending band 3 km long and 1.3 km wide. Clusters of moderately anomalous response outline northwest trends up to 1 km long and 100 m wide. One of these anomalies is believed to coincide with the southeastern extension of the smithsonite silicification zone. Manganese and arsenic response are also largely coincident with zinc while silver and lead values are weakly elevated but do form small clusters that are coincident within the outer periphery of the grid.

Hawkeye informed the Company that its 2005/2006 drill program was designed to test for both CRD and skarn type mineralization. The drill program reported no significant results.

The Company's 2008 program consisted of soil sampling, IP geophysics and a limited sampling and mapping program. The soil sampling and geophysical grid was set up over an area of hydrothermal alteration within a stockwork veined intrusive body. A total of 554 soil samples were taken on a 200 meter by 50 meter grid and IP geophysics was conducted on the 200 meter spaced east west lines. This work identified a broad area of elevated copper and molybdenum in soil now called the main zone and a smaller area to the west, now known as the Lupe zone, of elevated gold, silver, copper, molybdenum in soil and chargeability responses. The Lupe zone is a new discovery and was not identified prior to this 2008 program. The sampling and geophysics conducted over the main zone outlined a 1.5 kilometer by 500 meter zone that remains open to the south, of highly elevated chargeability, magnetic response and copper, molybdenum and gold in values in soils. Argillic altered and quartz-sulphide veined intrusive rocks have been identified in this area. A grab sample taken of outcropping argillic altered and stockwork veined intrusive taken at the northern edge of the main zone returned 0.19% copper. The Lupe zone soil anomaly occurs on top and along the flanks of a ridge which is underlain by a discrete chargeability anomaly interpreted to reflect elevated sulphides. This anomaly is at least 200 meters across along the five lines on two hundred meter spacing.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company's planned exploration program for Fiscal 2010 consists of preliminary diamond drilling to test the Lupe zone and other targets with an estimated budget of $100,000.

The Yago Prospect - Mexico

The Yago prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

From Fiscal 1997 to Fiscal 2004, the Company acquired a 100% interest in the prospect through staking and purchase agreements.

In February 2007, the Company entered into an agreement with Consolidated Spire Ventures Ltd. ("Spire"). To earn a 60% interest, Spire had to incur exploration expenditures of U.S.$3,500,000 and issue 800,000 shares to the Company over five years. On March 24, 2009 Spire acknowledged they were in default in observing the terms of the agreement and quit claimed and released all interest in the prospect.

In 2009, the Company acquired a 100% interest in claims totalling 12,102 hectares in the Yago / Carretera project area for the sum of U.S.$14,000 and subject to a NSR royalty capped at U.S.$250,000. Almaden's holdings in the Yago / Carretera area now total 16,980 hectares.

Expenditures to Date

During Fiscal 2009, the Company incurred $61,409 in acquisition and exploration costs on this prospect including the payment of Mexican mining taxes of $21,223, all of which were written off to operations. As at December 31, 2009, the Company has written down the carrying value of the prospect to $1.

Location and Access

The Yago prospect is located in the state of Nayarit, on the Pacific Coast of Mexico. The claims encompass the town of Yago, which is located by paved road approximately seven kilometers from Highway 15, which is the major thoroughfare from the United States to Mexico. Yago is located roughly 50 kilometers north of Tepic, the capital of Nayarit.

History and Recent Work

Southern Part:

The assembled claims cover a large alteration zone centered on a northwest trending extensional structure with numerous separate gold veins, many of which had had historic small scale mining operations from numerous old workings. It is believed that this was the first time in many years that all these claims had been assembled into a single property. The separate owners each controlled a part of the main area of interest in the southern part of the property which is a large stockwork zone of chalcedonic banded quartz veins where small scale mining was carried out. Wider veins within the stockwork zone were mined by underground open stopes accessed by adits and by glory holes mined out to surface.

In 1997, soil sampling and geological mapping were carried out on a grid over the southern area of interest. Numerous rock samples were also taken at this time. Encouraging results were followed up by expanding the grid and detailed in fill soil sampling in areas of interest.

In Fiscal 1998, the Company optioned the property to Santoy Resources Ltd. ("Santoy") who conducted a 975.2 metre drill program late in the year. Results did not meet their expectations and Santoy dropped their option in July 1999.

During November and December 1999 a program of mapping, sampling and road building was carried out on the project. Work was focussed on the Guadalupe-Tejona-Korina vein system in the southern portion of the project. Samples of ore from recent development and production blasts were also taken from the La Sarda area active operations, roughly seven kilometres north. The La Sarda Prospect had been in continuous production for about 5 years and mining during the option period was to be for the benefit of the current owner but restricted to 150 tonnes per day maximum and to material above the lowest level of workings on the La Sarda vein which is roughly 100 metres below the surface. Mining operations ceased in early 2000.

In March 2000, the Company and its predecessor ("Fairfield") entered into an agreement where Fairfield could earn 51% of the Company's interests and rights to the prospect. Fairfield drilled two holes on the southern part of the property with discouraging results, and completed the acquisition of the northern part of the property.

In 2002, the Company optioned the property to Ascot. The optionee carried out further sampling, geological mapping, induced polarization geophysical surveys and limited diamond drilling. Ascot dropped their option in 2003.

Northern Part:

In this area, the thrust of the Company's exploration effort was to find new, larger zones of high grade material at greater depths on both the La Sarda and parallel vein zones.

In December 1999 some mapping was carried out on the La Sarda vein. Because the mine and mill were operating without established reserves, production and grade were somewhat erratic. The La Sarda vein had provided most of the production over the previous four or five years. This vein was found by mapping to be just underneath the opaline silica horizon, further indication that only the top portion of this extensive system is exposed.

The La Sarda area active workings were inspected. Four major sub parallel vein systems have been recognized in this area, and three were being actively worked at that time. High grade ore was reported in the active faces of the La Cucaracha vein workings. A sample taken from muck from an ore face returned values of 20.2 grams/tonne Au and 151 grams/tonne silver.

Geology and Mineralization

The assembled claims cover a large alteration zone centered on a northwest trending extensional structure with numerous separate gold veins.

The country rocks in the area are Tertiary andesitic tuffs and flows that are observed to be flat-lying. The alteration zone is characterized by strataform silicification spatially associated with friable argillic alteration dominated by kaolinite with subordinate alunite and cristobalite.

This alteration zone is interpreted to represent the paleowater table of a shallowly-eroded epithermal system. Gold-bearing quartz veins with prominent crustiform, colloform banding and stockwork quartz veining, are exposed beneath the strataform alteration and are the target of the exploration efforts.

Infrastructure

A main railway line crosses the prospect and there are electric powerlines to the town of Yago. The prospect is approximately seven kilometers from Highway 15 and is traversed by numerous gravel roads.

Exploration Results

Southern Part:

In 1997, a 1 by 1 kilometer grid was cut over the area of intense quartz-adularia veining and float and a soil sampling program was carried out at 50 meter spacing on lines 100 metres apart. Several large multi-line gold-silver-antimony anomalies resulted that extended to the edge of the grid. A follow-up survey was carried out in which the grid was expanded to roughly 1.5 by 2 kilometers. Samples were taken intermediate to anomalous samples taken in the initial program to provide greater detail and to serve as a check on previous sampling.

Sampling was also carried out to define the extent of anomalies discovered in the first phase of sampling. The in fill sampling confirmed the results of the previous survey while the additional soil sampling provided better definition of the existing anomalies and resulted in new anomalies which still remain open. This anomaly lies in the central and south-west part of the grid in an area devoid of old workings and remains open in two directions. Veins mapped in this area strike roughly 10 degrees east of north. Emanating from the north-east part of this anomaly is a linear gold-silver-antimony soil anomaly trending approximately 40 degrees east of north. The trend coincides with the attitudes of veins measured in outcrop in the north-east portion of the grid. Several other multi-line gold in soil anomalies resulted from the soil sampling. Antimony and silver for the most part correlate well with gold geochemistry, defining similar trends throughout the grid.

At the time of soil sampling more than sixty rock samples were taken over the property. These samples were taken from exposures in historic workings and the associated dumps as well as the vein float prevalent over the property. Conventional Fire Assay and ICP techniques were employed on both rock and soil samples.

Several areas of intense banded quartz-adularia veining, stockwork veining and one area of hydrothermal brecciation and silicification were defined which are coincident with areas of anomalous soil geochemistry. The initial geologic data indicates that the veining represents high elevations within a shallowly eroded low-sulfidation epithermal system, of which the paleo-water table is preserved over much of the property. Exploration was designed to seek bonanza vein type mineralization.

Geologic work and road building in the southern Guadalupe-Tejona-Korina area was designed to provide access and investigate areas for future diamond drilling. During the course of this work several new veins and previously unknown historic workings were discovered. In the La Korina area (on the Sagitario claim), the lowest elevation workings, several shafts and adits were discovered in heavy undergrowth. The work completed has enabled the Company to select several sites for drilling in this area. Several banded quartz-adularia veins were discovered in the new road cuts within areas of high gold in soil geochemistry. In one area banded veining was discovered in an area of very high gold soil geochemistry along the La Guadalupe vein trend over 500 metres from known historic workings. These areas and the Korina area were not tested by past drilling and are relatively lower in elevation than the depth tested by past drilling.

This program of work resulted in the definition of several key drill hole locations in the southern Guadalupe-Tejona-Korina area. These locations would test the correct elevations for potential bonanza grades at depth along the strike and intersection of several banded quartz-adularia veins. Road building provided access for these holes. Drill holes were also been designed to test the La Sarda area vein systems to the north including the Cucaracha vein.

Numerous small scale old workings are present on the property.

Hydrothermal alteration mapping and fluid inclusion studies support the conclusion that the present erosion surface represents shallow depths beneath the paleo-water table of the hydrothermal system. The potential for high-grade gold-silver mineralization is expected to extend from surface to significant depths beneath the present surface.

In December 1998, seven (7) widely spaced holes totaling 975.2 metres were completed by Santoy to test epithermal vein targets at depth. Widespread quartz veining and stockwork systems were encountered at depth, many of which correlated well with surface zones.

Widespread anomalous gold, silver and base metal values were obtained from the drilling with the most significant mineralized intervals as follows:

Hole No.	From - To (m)	Interval (m)	Au (g/t)	Ag (g/t)
98-01				
(Tejona Vein)	53.3 to 54.8	1.5	0.37	24.9
98-02	44.2 to 47.2	3.0	0.44	43.8
(Guadalupe Vein)	67.0 to 70.1	3.1	0.51	15.1
	121.9 to 126.4	4.5	0.54	16.7
98-03	38.1 to 54.8	16.7	0.15	22.6
(between Creek & Tejona)	incl.38.1 to 39.6	1.5	0.63	99.8
98-04	42.6 to 44.2	1.6	0.32	35.7
(La Morraya)				
98-05	198.1 to 201.1	3	1.8	0.9
98-06	32.0 to 36.5	4.5	0.13	9.4
(Creek Zone)				
98-07	No significant values			

In July 2000, Fairfield began a diamond drilling program on the southern part of the property. Progress was very poor. Drilling commenced with two holes on the Guadalupe vein that would be the most difficult to access if the rainy season were to start early. Hole one did not reach its objective and the core barrel was lost in the hole. Hole two was completed to the planned depth. The program was then terminated. Although the first hole did not reach its targeted vein, another vein was intersected. The projected vein in hole two was also intersected where expected. No significant assays were returned from these holes.

In 2002, Ascot completed a gradient array IP (induced polarization) geophysics survey on the La Sarda and Yago grids. The two large geophysical grids covered three of four principal veins in the La Sarda mine area, and the Guadalupe, La Tejona and La Korina vein systems in the Yago area to the south.

At La Sarda the three northeast-striking veins surveyed to date were mapped very effectively by gradient array IP and traced approximately 200 metres beyond their last known exposures. The data suggest that all three vein structures remain well defined over a strike length of 900 metres and are open for extension to the northeast. In the Yago area, south of La Sarda, the IP data appear more complex. On the west side of the grid geophysics traced the north-south striking Guadalupe vein over a distance of approximately 400 metres and defined a large area of very high resistivity corresponding to the La Tejona and La Korina vein structures.

A total of 1098.2 metres of diamond drilling was completed on the La Sarda vein by Ascot, one hole was lost before reaching the vein target, another hole had lost core through the section where the vein intersection was expected, and the remaining four had low grade values that nevertheless showed good vein width and continuity.

During 2007, Spire conducted a trenching and diamond drilling program in both the Northern and Southern areas of the prospect. Spire updated on the exploration work in their news release of August 17, 2007 which reported that phase 1 drilling was planned for 3,000m but a total of only 945m were drilled before the start of the rainy season in July. Highlights of the drilling program to that date were reported and include the following:

Hole	From (m)	To (m)	Width (m)	Au (g/t)	Ag (g/t)
DDH-07-M01	137.5	138.6	1.45	1.01	2.1
DDH-07-M02	100.8	101.8	1	0.24	8.5
DDH-07-S01	34.6	37	2.4	0.73	152.09
DDH-07-S03	23.1	24	0.9	0.43	64.1
DDH-07-S04	36.6	37.5	0.9	1.29	49

Spire also announced that it completed a trenching program in the Sagitario area of the prospect along with the following highlights of that program:

Trench	Sample Width (m)	Gold (g/t)	Silver (g/t)
TS1-1A	0.8	1.08	199
TS2-1	1.1	0.89	192
TS2-1	1.1	2.24	551
TS2-2	1.3	4.71	441
TS2-3	1.8	4.13	171
TS2-5	0.2	1.625	25.2

Due to market conditions, Spire was not able to fund any exploration in 2008.

In 2009, the Company conducted prospecting and geophysical surveys in the Gallo de Oro (also known as Carretera) are of the prospect where banded quartz veining thought to represent the upper reaches of another epithermal vein system several kilometres west of other veins on the prospect. Forty-five new rock-chip samples of quartz vein material at surface returned gold values from 0.005 to 18.85 g/t gold and less than detection to 871 g/t silver. Earlier in 2009 and IP and soil sampling survey was carried out which helped define the vein system for this surface sampling program. A total of 62 samples have now been taken from the Carretera zone, and these average 2 g/t gold, ranging from 0.005 to 104 g/t gold. The zone of quartz veining has now been expanded to strike length of over 2 kilometres.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company's planned exploration program for Fiscal 2010 consists of further rock sampling and geophysical surveys, at a budgeted costs of $50,000, in order to better define targets for a drill program later in 2010.

The Tuligtic Prospect - Mexico

The Tuligtic (formerly "Santa Maria") prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

The prospect was acquired by staking and is owned 100% through the Company's subsidiary, Compania Minera Zapata, S.A. de C.V.

During Fiscal 2006, the Company entered into an agreement with Pinnacle Mines Ltd. ("Pinnacle"). To earn a 60% interest, Pinnacle had to incur exploration expenditures totalling U.S.$6,000,000 and issue 1,000,000 shares to the

Company within six years. During Fiscal 2007, Pinnacle failed to meet the expenditure requirements of the agreement and the Company terminated the agreement.

On March 23, 2009, the Company entered into an agreement with Antofagasta Minerals. S.C. ("Antofagasta"). To earn a 60% interest, Antofagasta must incur exploration expenditures totalling U.S.$7,000,000 and make cash payments of U.S.$1,000,000 to the Company by March 23, 2014. Antofagasta has the right and option to acquire an additional 15% interest (for an aggregate 75% interest) by funding and delivering on or before March 23, 2016 a feasibility study.

On February 16, 2010, the Company announced that Antofagasta had terminated its option to earn an interest in the prospect.

Expenditures to Date

During Fiscal 2009, the Company incurred $855,200 in costs on this prospect on behalf of Antofagasta, primarily on geological mapping and a drill program. The Company received US$1,000,000 under the contract with Antofagasta for exploration. As at December 31, 2009, the Company had deferred costs of $34,430 on this prospect.

Location and Access

The Tuligtic project is located twenty-one kilometres north of Puebla, Puebla State, Mexico and may be accessed by paved highway from Puebla. Several other paved and unpaved roads provide access to various parts of the prospect from this highway. The centre of the prospect is approximately latitude 19 degrees 42 minutes North and longitude 97 degrees 52 minutes west.

Infrastructure

All major services are found in Puebla, a major city located roughly one hundred kilometres to the south west of the prospect. Labour is available in local towns and villages. There is good road access throughout most of the area and major power lines also cross the prospect. A local power line network supplies electricity to villages within the area.

History and Recent Work

Several limited, superficial historic workings exist on the prospect, however their age is unknown. To the Company's knowledge, no recent work has been carried out on the prospect other than that done by the Company.

In January 2003, a program of geologic mapping, rock, stream silt sampling and induced polarization geophysics was carried out. This program focused on the exposed porphyry intrusive and related skarn bodies but also covered areas of epithermal alteration. Anomalous results were received from rock samples taken from both the porphyry style and epithermal alteration and mineralisation. These results warrant further work. One line of induced polarization geophysics was carried out on the prospect. This work identified a greater than two kilometer wide zone of elevated chargeability response which is coincident with the exposed altered and mineralised intrusive system.

In January and February 2005, a program of further induced polarization geophysics and soil sampling was conducted, further defining the porphyry copper target as an area of high chargeability and elevated copper and molybdenum in soil.

To date 198 chip and grab rock samples have been taken from surface exposures over the entire prospect, including both the porphyry copper-gold and epithermal gold-silver target areas.

In the first quarter of 2008, the Company conducted a program of alteration mapping and stream sediment sampling.

The 2009 drilling program consisted of 2,973.05 meters in seven holes and was operated by Almaden. Highlights of the drill program include 38 meters of 0.13% copper from 164 to 202 meters and 46 meters of 0.11 copper from 416 to 462 meters in hole DDH-01, 20 meters of 0.17% copper from 94 to 114 meters and 26 meters of 0.14% copper from 316 to 342 meters in hole DDH-02, 58 meters of 0.17% copper from 366 to 424 meters in hole DDH-03 (including 14 meters of 0.27% copper from 410 to 424 meters), 2 meters of 0.63% copper from 18 to 20 meters in hole DDH-04 and 20 meters of 0.11% copper from 276 to 296 meters and 8 meters of 0.13% copper in hole DDH-05. Molybdenum values were anomalous ranging up to 801 ppm (0.08%). Elevated gold values were also encountered

including 2 meters of 1.34 g/t from 178-180 meters in hole DDH-01.

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Geology and Mineralization

The project covers an area of intensely altered rocks roughly 5 by 5 kilometres in size. Within this area a field program carried out by the Company identified both a porphyry copper and an epithermal gold target. The copper porphyry target occurs within K-silicate altered intrusive rocks that intrude deformed limestone which is overlain by intensely altered volcanic rocks. Calc-silicate altered limestone occurs in proximity to the intrusive contacts and is associated with skarn-type copper mineralization. Multiple phases make up the intrusive body which has been altered and veined. Stockwork quartz pyrite veining dominates the alteration and is associated with minor copper mineralization. This alteration is observed to overprint earlier potassic alteration.

An induced polarisation geophysical survey was carried out on one line over the exposed stockwork veined intrusive. A further IP geophysical survey was carried out on eight lines, three kilometres in length, spaced 200 meters apart, and centred over the gullies which have cut through the unmineralised ash deposits and exposed the stockwork veined and copper-gold mineralised intrusive rocks. This survey indicated that the exposed mineralization represents a portion of a much larger intrusive hosted system characterised by an elevated chargeability response anomaly which is open in three directions and increasing in tenor with depth. Soil sampling has returned highly anomalous copper, molybdenum, silver and gold in soil samples over areas where the altered and mineralised intrusive rocks are exposed, and elevated chargeability responses have been recorded at surface. The volcanic rocks, which are exposed roughly one kilometer to the south of the outcropping intrusive are also extensively altered. The alteration is considered indicative of the upper parts of an epithermal system and includes replacement silicification and sinter, the precipitate or sediment that was deposited from a hot spring.

Quartz-calcite veins with textural evidence of boiling have been identified outcropping in limestone roughly 100 meters beneath the exposed sinter. Initial sampling of these veins and from float boulders of breccia containing quartz vein fragments have returned anomalous values in gold and silver. The sinter and overlying altered volcanic rocks are anomalous in Hg, As and Sb.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

In Fiscal 2010, the Company will review the results of the 2009 program and plan further exploration on the prospect accordingly.

The Matehuapil Prospect - Mexico

The Matehuapil Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

In Fiscal 2007, the Company acquired a 100% interest in the Matehuapil claim, subject to a 1% NSR royalty payable to the Mexican government, through the successful bid of approximately $500,000. An initial acquisition payment of $117,572, representing 20% of the purchase price, was paid. 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 the 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.

The Company subsequently entered into an agreement with Apex Silver Mines Limited ("Apex"). To earn a 60% interest, Apex must incur exploration expenditures totalling U.S.$2,600,000 by December 1, 2013 and make cash payments of 3,312,000 Mexican Pesos by July 10, 2009. Apex reorganized under Chapter 11 of the United States Bankruptcy Code and emerged as Golden Minerals Company ("Golden Minerals").

Expenditures to Date

During Fiscal 2009, the Company incurred $3,999 in exploration costs on the prospect. The Company also received $109,958 from Apex pursuant to the option agreement. As at December 31, 2009, the Company had deferred costs of $267,526 on this prospect.

Location and Access`

The Matehuapil prospect is located in Zacatecas State, Mexico, about 25 km east of Concepcion del Oro.

Infrastructure

There is road access throughout the prospect and single phase power to villages within the prospect boundary.

History and Recent Work

The prospect was held by the government mining agency which conducted surface work and limited geophysics. Apex has informed Almaden that it has conducted surface work on the prospect. Almaden is to receive technical data from Apex resulting from their work program of 2008 in an annual report.

Geology and Mineralization

Almaden has identified silver-lead-zinc mineralisation consisting of oxidized sulphides in a jasperoid developed within carbonate units on the northeastern portion of Matehuapil project area which borders the company's Santa Isabela project claims. This style of mineralization is interpreted to be associated with carbonate replacement sulphide deposits. The Matehuapil claim is centered on historic lead-zinc silver and copper-gold mines and carbonate replacement and skarn mineralization spatially associated with intrusive rocks.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has no planned exploration program for Fiscal 2010 with all work being conducted by Golden Minerals which is working to earn an interest in the prospect.

The Caldera Prospect - Mexico

The Caldera Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

During Fiscal 2007, the Company acquired the Caldera prospect by staking and has a 100% interest in the prospect. During 2008, additional staking was carried out to cover anomalous areas that were not within the original block stated.

Expenditures to Date

During Fiscal 2009, the Company incurred $154,765 in exploration costs primarily on geological studies and the payment of $50,053 in Mexican mining taxes. As at December 31, 2009, the Company had deferred costs of $422,666 on this prospect.

Location and Access

The Caldera prospect is located in Puebla State, Mexico, near the town of Libres which is approximately 70 kilometers northeast of Puebla City by the all season paved road.

Infrastructure

There is no infrastructure in place on the prospect.

History and Recent Work

The prospect was discovered by the Company during Fiscal 2007 during a regional exploration program. There is no known history of mineral exploration or mining in the area.

During Fiscal 2009 the Company completed a work program consisting of alteration mapping, prospecting, soil and stream sediment sampling and induced polarization (IP) geophysics that was initiated in Fiscal 2008.

Geology and Mineralization

Hydrothermal alteration typical of high sulphidation epithermal gold-silver environments, including vuggy silica and extensive areas of acid-sulphate alteration, has been identified at the prospect to date over eight kilometres in a northwest-trending window beneath barren, post mineral volcanic rocks. The altered zone is defined by north-south to northwest trending zones of intense argillic and advanced argillic alteration and silicification, including vuggy residual silica. Silicified zones are commonly up to 20 meters wide and locally greater 50 meters wide. Locally, silicified zones are cored by cryptocrystalline alunite and are adjacent to parallel zones of pyrophyllite and dickite. Topaz occurs sporadically at the core of the silicified zones. Kaolinite+/-smectite forms a broad argillic envelope surrounding the silica and advanced argillic alteration.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company's planned exploration program for Fiscal 2010 consists of preliminary diamond drilling of targets identified in the Fiscal 2008/2009 field programs with an estimated budget of $100,000.

The Bufa Prospect - Mexico

The Bufa Prospect (formerly "Guadalupe") is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

During Fiscal 2003, the Company's subsidiary acquired 100% interest in the La Bufa claim by staking.

In Fiscal 2004, the Company entered into an agreement with Grid Capital Corporation ("Grid"). To earn an initial 50% interest, Grid was obliged to maintain the property in good standing, incur exploration expenditures totalling U.S.$1,000,000 and issue 400,000 shares to the Company by June 30, 2007. Grid could have increased 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 December 31, 2008. Grid abandoned its option in Fiscal 2005.

In Fiscal 2005, the Company entered into an agreement with Lincoln Gold Corp. ("Lincoln Gold"). To earn a 60% interest Lincoln Gold must incur exploration expenditures of U.S.$3,000,000 and issue 450,000 shares to the Company over five and a half years. If production is achieved, Lincoln Gold must then issue an additional 100,000 shares to the Company. All shares issued will be Restricted Securities under the U.S. Securities Act 1933 and all certificates representing the shares will be endorsed with legends confirming their status as restricted securities.

In Fiscal 2007, the Company renegotiated the agreement with Lincoln Gold. To earn a 60% interest Lincoln Gold must now incur exploration expenditures of U.S.$3,500,000 and issue 1,550,000 shares to the Company over four years.

In Fiscal 2009, Lincoln Mining Corporation (previously named LPT Capital Ltd.) ("Lincoln Mining") acquired all of the outstanding common shares of Lincoln Gold through a previous merger of 0843037 B.C. Ltd., a wholly owned subsidiary of Lincoln Mining, with Lincoln Gold to form the company Lincoln Mining Corporation.

In February 2010, the Company sold its interest in the Bufa prospect to Lincoln Mining Corporation, Minera Lincoln de Mexico, S.A. de C.V. and Lincoln Gold Corporation (the "Lincoln Entities") for a total of 6,000,000 common shares of Lincoln Mining which become free-trading after a four month hold on June 30, 2010. In addition, the Company retained a production royalty of 2% NSR.

Expenditures to Date

During Fiscal 2008, the Company incurred no costs on the prospect. As at December 31, 2008, the Company was carrying this prospect at $1.

Location and Access

The Guadalupe project surrounds the town and mining camp of Guadalupe y Calvo in Chihuahua State, Mexico.

History and Recent Work

Gold was discovered at Guadalupe y Calvo on the ground surrounded by the La Bufa claim in October 1835. Production was sufficiently large that the Mexican government built a mint at Guadalupe y Calvo in 1844. L.J. Buchanan (1981) estimated historic production at 2,000,000 ounces gold and 28,000,000 ounces silver. Estimated production grade was 37 g/t gold and 870 g/t silver. This ground is currently being explored by another, unrelated company.

The La Bufa ground has some known vein outcrops with old historic workings.

In April 2004, Grid reported that an initial program of geological mapping and sampling traced a major vein structure, the La Bufa, over a 1.4 kilometre distance. The La Bufa vein is hosted in a window of lower volcanic group andesitic rocks, the same rocks that host the past-producing mines at Guadalupe y Calvo located one kilometre to the northwest.

A major vein structure, has been traced from the Guadalupe camp over a 1.4 kilometer distance onto the Bufa property. Grid has reported that the vein system consists of a series of NW-SE striking, banded and brecciated, low sulphidation epithermal quartz veins that vary in strike length from 200 to 700 meters with an aggregate length of all veins mapped of 3.9 kilometers. Over 1.6 kilometers of this vein strike length, widths vary from 30 centimetres to 7.8 meters in true thickness. To date 47 chip samples have been collected from 33 locations along this section of the vein system.

In 2006, Lincoln completed a soil survey on the prospect, in addition to aerial photography, which will be used to construct topographic base maps for geological use. The soil survey covered an area 1600m long and 500m wide. Eight separate gold in soil anomalies were detected through the soil sampling and follow up work is being planned. In 2008, Lincoln carried out a program of diamond drilling consisting of 12 holes totaling 4,500 meters.

Geology and Mineralization

The La Bufa vein is a banded, brecciated, low-sulphidation, epithermal quartz vein that is crosscut by a series of en echelon veins varying in length from 30 centimetres to 7.8 metres true thickness. The veins are variably mineralized with pyrite, hematite and limonite.

Exploration Results

A drill program was carried out by Grid in December 2004. The program consisted of 666.15 metres in 5 holes, the longest of which was 241.9 metres (hole GUD04-01A). The holes were drilled in three locations along a roughly 137 metre strike length of the vein system. The first hole drilled (GUD04-01) encountered shallow historic workings and was stopped at 58.75 metres depth, however the last sample before the opening was encountered returned 1.55 g/t Au and 91.1 g/t Ag over 0.4 metres. Hole GUD04-01A was drilled at the same location and underneath this first hole. Holes GUD01-02 (120.5 meters deep), GUD01-03 (115 metres deep) and GUD01-04 (130 metres deep) were drilled 43, 92 and 137 meters respectively northwest along strike from the collar of holes GUD01-01 and 01A. The most important intersections from these holes are tabulated below:

Hole Number	**From**	**To**	**Width**	**Gold (g/t)**	**Silver (g/t)**
GUD04-01	58.35	58.75	0.40	1.55	91.1
GUD04-01A	63.0	63.46	0.46	3.23	195
GUD04-01A	76.49	78.15	1.66	1.56	69.8
Including	76.49	77.23	0.74	2.29	63.4
GUD04-02	70.96	73.20	2.24	0.41	21
Including	72.51	73.2	0.69	0.714	41.6
GUD04-02	84.80	86.70	1.90	0.25	20.7
Including	86.16	86.70	0.52	0.40	40.5
GUD04-03	64.38	66.00	**1.62**	**9.00**	**447**
Including	64.38	65.20	**0.82**	**17.15**	**787**
GUD04-03	68.91	70.52	**1.61**	**8.70**	**503**
GUD04-03	84.00	86.20	2.2	1.35	55.6
GUD04-03	95.40	96.90	**1.50**	**5.96**	**52.4**
Including	96.18	96.90	**0.72**	**9.48**	**87.1**
GUD04-04	73.18	73.70	0.52	2.87	363
GUD04-04	107.71	108.57	0.86	2.50	109
GUD04-04	121.63	122.45	0.82	1.765	80.8

The intersections represent brecciated quartz vein systems, of which there are clearly several parallel veins as indicated by hole GUD04-03 which intersected four zones of veining and brecciation all of which returned significant gold and silver values. Grid informed Almaden that there was not enough geologic information to accurately determine the true widths for the intersections.

During 2007, Lincoln conducted further geological studies and sampling.

In March 2008, Lincoln initiated a drill program. Highlights of the results received to date from the present Lincoln drill program are tabularized below:

Hole No.	From (m)	To (m)	Interval * (m)	Gold (g/t)	Silver (g/t)
LBDDH-008	147.8	149.34	1.55	0.402	6.6
LBDDH-010	19.79	21.34	1.55	0.985	25.8
	288.51	290.06	1.55	0.064	23.6
LBDDH-003	172.22	173.72	1.5	10.7	516
LBDDH-007	Five Zones		1.20 to 1.71	0.007 to 0.020	4.0 to 6.8
LBDDH-001	94.5	97	2.5	4.12	281

*At this time it is not known of whether the intervals in the table above represent true widths

The Logan Property - Canada

The Logan Property contains an inferred mineral resource of 13.08 million tonnes (14.42 million tons) grading 5.10% zinc and 23.7 gm/tonne (0.69oz/ton) silver, as recently re-estimated by HATCH Associates Ltd. of Vancouver, B.C., an independent party to comply with the Canadian Securities Administrators (CSA) National Instrument 43-101 standards (Form 43-101F1) engaged by Yukon Zinc Corporation.

Interest

The Company owns a 40% carried interest in the property, acquired from its predecessor ("Fairfield") through amalgamation. The owner of the 60% joint venture interest is required to fund 100% of exploration expenditures until a production decision is made, at which time the Company may elect to pay its proportionate share of future expenditures after the production decision or convert its property interest into a 15% Net Profits Interest. In 2003, the 60% owner agreed to sell its joint venture interest to Expatriate Resources Ltd. ("Expatriate"). To simplify documentation, a new agreement was entered into at this time directly between the Company and Expatriate with all details of the previous agreement remaining the same. In late 2004 Expatriate was restructured into two successor corporate entities, resulting in a transfer of the 60% joint venture interest to one of the successors named Yukon Zinc Corporation.

Expenditures to Date

During Fiscal 2009 the Company incurred no costs on this prospect. As at December 31, 2009, the Company is carrying this property at $1.

Location and Access

The Logan Property comprises 156 claims located 108 kilometres northwest of Watson Lake, Yukon at latitude 60 degrees 30 minutes North and longitude 130 degrees 27 minutes West. The claims are situated 38 kilometres north of the Alaska Highway and 258 kilometres east of Whitehorse. Principal access is by fixed-wing aircraft or helicopter. A 52 kilometre trail originating from Milepost 687 (Km 1105) on the Alaska Highway provides minimum winter access to the property for track-equipped machinery.

History and Recent Work

The initial 36 Logan claims were staked in July and October 1979 to cover showings of zinc-silver-copper-tin mineralization discovered during a reconnaissance prospecting and stream sediment sampling program undertaken by Regional Resources Ltd. (Fairfield's predecessor). Additional claims (Logan 37-106) were staked at various dates in 1984 and 1986. Property exploration programs including geological mapping, geochemical and geophysical surveys, detailed prospecting and hand trenching were carried out between 1979 and 1985.

In May 1986 the property was transferred to Fairfield and subsequent exploration programs during 1986 to 1988 included diamond drilling (103 holes totalling 16,439 metres of NQ core), excavator trenching (15 trenches totalling 2,412 linear metres),, additional soil geochemistry, Induced Polarization geophysical surveys, as well as aerial photography, various ground control surveys, construction of a 700-metre long gravel airstrip, and reclamation work. Most of the drilling was conducted at 100-metre by 50-metre grid spacing.

All of the above work programs were performed or supervised by Cordilleran Engineering Ltd. of Vancouver, Canada. All project sample assays and analyses were performed by Bondar Clegg & Company Ltd. in North Vancouver. In late 1988 an initial mineral resource estimate for the Main Zone deposit was calculated by J.J. Hylands, P.Eng.,, and M.A. Stammers, FGAC, of Cordilleran Engineering Ltd. However, this estimate was not strictly defined according to Canadian Institute of Mining (CIM) standard resource/reserve classifications.

In early 1989 preliminary metallurgical testing was undertaken on composite samples of drill core assembled from 16 selected intersections of the Main Zone deposit. This work was conducted by Lakefield Research under the direction of Strathcona Mineral Services Ltd. of Toronto, Canada. The results demonstrated that high zinc (93-97%) and silver (85-87%) recoveries are readily achievable from a concentrate grading 50-54% zinc.

The project was dormant from 1989 through 2002.

In early 2003 Expatriate purchased a 60% joint venture interest in the property from Energold Minerals Inc. (formerly Total Energold) and became the operator of the project. A baseline environmental survey was conducted in and around the property in advance of further exploration and/or engineering studies. Staking of the LOGAN 107 to 152 and STRIP 1 to 4 mineral claims was completed to cover areas of potential infrastructure. Core storage facilities at the old exploration camp were refurbished and core inventoried for future examination.

In November 2003, Expatriate commissioned Hatch Associates Ltd. ("Hatch") to complete a resource estimate and data compilation as part of an Independent Technical Report to NI 43-101 standards. Hatch completed this assignment with the assistance of Mr. Gary Giroux, P.Eng., while Hatch's Qualified Person for this assessment was Mr. Callum Grant, P.Eng. who visited and inspected the property in October 2003. The resource estimation portion of the report was released on March 24, 2004.

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 OF ALL OF AN INFERRED RESOURCE EXISTS, OR IS ECONOMICALLY OR LEGALLY MINEABLE.

The published Inferred Resource of 13.08 MT grading 5.10% Zn and 23.7 g/t Ag uses a 3.5% zinc-equivalent cutoff that is based upon metal prices of U.S. 43 cents per pound zinc and U.S.$5.50 per ounce silver, with recoveries of

94% and 64% respectively. The Hatch re-estimation of resources at Logan uses the block model method, with Kriging applied to the assay data from 58 drill holes completed in the Main Zone during 1986-88. The model relies wholly on this historical drill-hole information and does not include any new exploration data. The model is constrained by geologic boundaries to mineralization as interpreted on 23 cross-sections of the Main Zone over a 1.53 km (0.95 mile) strike length. No mineralized intercepts are included from the East or West Zones.

In Fiscal 2006 Yukon Zinc conducted an airborne gravity survey of the property.

Geology and Mineral Deposits

The property is dominantly underlain by granodiorite and pegmatites of the Cretaceous Marker Lake Batholith, which has intruded Lower Cambrian and possibly older metasedimentary rocks. Tertiary andesite dykes, quartz-feldspar monzonite-latite porphyry dykes, quartz veins and breccia bodies are associated with an eight kilometre long east-northeast (ENE) trending mineralized structure. Within this structure, at least three mineral bodies have been identified and named as the Main, West and East Zones.

The Main Zone deposit has been defined by 58 drill intersections, to an average vertical depth of 185 metres (~600 feet). It is contained within a steeply dipping fault bounded tabular body 1100 metres long by 50 to 140 metres wide. Sphalerite with lesser pyrite, arsenopyrite, chalcopyrite, pyrrhotite, silver-bearing lead sulphosalts and cassiterite occur as fracture fillings, disseminations and coarse masses in quartz veins or breccia and silicified hostrock.

Infrastructure

With the exception of the airstrip and connecting network of drillsite access trails, there is no infrastructure in place on the property.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has no planned exploration program for Fiscal 2010. Yukon Zinc Corporation maintains the property in good standing.

The Nicoamen River Prospect - Canada

The Nicoamen River Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

The Nicoamen River claim group comprises about 1,945 hectares (19.5 sq. km) and was acquired by staking during 2004 and 2005 and is 100% owned by the Company.

In Fiscal 2006, the Company entered into an agreement with Tanqueray Resources Ltd. ("Tanqueray"). To earn a 60% interest, Tanqueray had to incur exploration expenditures of $4,000,000 and issue 1,000,000 shares to the Company by December 31, 2012. During Fiscal 2007, Tanqueray relinquished its option on the property.

On December 10, 2007, t he Company entered into an agreement with Zenith Industries Corp. ("Zenith"). To earn a 60% interest, Zenith had to incur exploration expenditures of $4,000,000 by December 31, 2012 and issue 1,000,000 shares to the Company by December 31, 2010. As of December 31, 2008, Zenith abandoned its interest in the prospect.

On July 29, 2009, the Company entered into an agreement with Fairmont Resources Inc. ("Fairmont"). To earn a 60% interest, Fairmont has to pay the Company $25,000, incur exploration expenditures of $2,000,000 and issue 300,000 common shares to the Company.

Expenditures to Date

During Fiscal 2009 the Company incurred $4,901 in exploration costs on this prospect. In addition, the Company received $10,000 from Fairmont pursuant to the option agreement. As at December 31, 2009, the Company is carrying the prospect at $1.

Location and Access

The prospect is readily accessible by road, approximately 40 kilometres northeast of the village of Boston Bar on the Trans-Canada Highway in southern British Columbia.

History and Recent Work

Pre-acquisition work during July 2003 and August/October 2004 consisted of prospecting and recon geochemical sampling, based on follow-up of earlier government (BC-RGS) and Company-generated regional gold and arsenic stream sediment anomalies. These programs generated 16 rock, 47 silt, and 15 soil samples. In September 2005 a preliminary property evaluation program was conducted, comprising further prospecting and recon rock/silt geochemical sampling, minor hand trenching, grid and roadcut soil geochemical sampling.

The 2005 program generated an additional 20 rock, 7 silt, and 827 soil samples. All of the samples collected to date (2003-2005) have been tested for 36 elements, by Acme Analytical Laboratories Ltd. in Vancouver, B.C.

The rock sample results have identified several gold bearing quartz float occurrences, and insitu gold-quartz vein mineralization along a major NNW - trending fault structure. The initial grid soil sampling has outlined a main multi-element geochemical anomaly measuring 800 metres by 2000 metres in the Discovery area.

Tanquerary reported to the Company that detailed soil geochemistry conducted in 2006 over sections of the previous soil grid identified five large gold in soil anomaly clusters that will require ground truthing, by prospecting, mapping and excavator trenching. Ground geophysics was also completed.

During 2007 the Company had an independent consultant review work done to date and make recommendations for further work.

During the 2009 field season, Fairmont conducted geological and geophysical surveys.

Geology and Mineralization

The dominant rock assemblage underlying the Nicoamen River prospect is the Cretaceous Spius Creek Formation, a basaltic andesite unit. This is the upper part of the Spences Bridge Group which is a broad northwest trending sequence of gently folded volcanics with lesser sediments, dipping shallowly to the northeast. The Spences Bridge Group unconformably overlies older plutonic rocks, mainly granodiorite to diorite of the Permian to Triassic Mount Lytton Complex occupying the southwestern claim area. The Spences Bridge Group is unconformably overlain locally by Eocene Kamloops Group intermediate and felsic volcanics.

The major structural features in the district are steeply dipping normal faults. The Nicoamen River Fault parallels the canyon of Nicoamen River which crosses the claim area from south to north. The Nicoamen West Fault is subparallel to the Nicoamen River Fault and lies along the west boundary of the claims.

Insitu mineralization found to date consists of gold-bearing quartz veins in altered granodiorite at the Discovery Zone, and silica-rich pods or clasts in brecciated quartzofeldspathic rocks at the West Zone (located 2.35 km WNW of the Discovery Zone). The Discovery Zone occurrences have been exposed by a series of small hand trenches in the face of a 130-metre long roadcut in subcrop of variably silicified and/or argillically altered granodiorite. Local ankeritic (possible) and iron/manganese oxide alteration is also present. The occurrences are narrow (<1 - 10 cm) anded chalcedony veins associated with local subparallel shears having a close spatial relation to the Nicoamen River Fault. Both steeply dipping and fairly flat-lying veins occur, with apparent poor continuity. The vein textures and trace element geochemistry are typical of low sulphidation style epithermal mineralization.

Roadcut soil samples collected in the vicinity of both the Discovery and West Zone showings are strongly anomalous in gold, arsenic, antimony and molybdenum. The larger (area) grid soil geochemical anomalies show generally good coincidence amongst these same elements, plus flanking or peripherally situated elevated levels of mercury.

Infrastructure

There is no infrastructure in place on the prospect.

Drilling Results

No drilling has been carried out on the prospect.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has no planned exploration program for Fiscal 2010 with all work being conducted by Fairmont which is working to earn an interest in the prospect.

The Skoonka Creek Prospect - Canada

The Skoonka Creek (formerly "Sam") Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

The Skoonka Creek prospect was staked by the Company during Fiscal 2003 to Fiscal 2005 and comprises approximately 10,190 hectares.

In Fiscal 2005, the Company executed an option agreement with Strongbow Exploration Inc. ("Strongbow"), whereby Strongbow could earn an initial 51% interest in the prospect by issuing to the Company 600,000 shares and completing exploration expenditures of $2,000,000 prior to December 31, 2008. During Fiscal 2006, Strongbow completed earn-in requirements and a formal joint venture agreement was completed. Subsequent work programs reduced the Company's interest to approximately 32%.

Expenditures to Date

During Fiscal 2009, the Company recovered $32,169 in $27,602 in mandatory reclamation costs. As at December 31, 2009, the Company is carrying the prospect at $1.

Location and Access

The prospect is readily accessible by road, 25 kilometres northeast from Lytton, British Columbia, on the Trans-Canada Highway.

History and Recent Work

Pre-acquisition work during 2003 consisted of prospecting and recon geochemical sampling based on follow-up of a government (BC-RGS) regional gold stream sediment anomaly. This program generated 22 rock, 41 silt, and 14 soil samples. The 2004 assessment work program included minor access road improvements, further prospecting and recon sampling (25 rocks, 8 silts), approximately 21 line-km of roadcut soil sampling (417 soils), and limited hand trenching at three sites (16 rock chip samples). All of the samples collected to date have been tested for 36 elements, by Acme Analytical Laboratories in Vancouver, BC.

The rock sampling identified variable grade gold and lesser silver mineralization in a number of widely scattered quartz float occurrences, and in two major insitu vein showings named Discovery and JJ.

The soil and stream sediment sampling outlined two broad areas of gold-arsenic-antimony ± mercury enrichment which include and encompass the Discovery and JJ mineral zones.

During 2005 Strongbow expended $668,000 on exploration at Skoonka Creek which consisted of regional and detailed soil geochemical surveys, geological mapping, prospecting and recon rock/silt sampling, ground geophysical surveys, further hand trenching and initial core drilling on the JJ mineral structure and additional nearby geochemical/geophysical targets (Eleven NQ core holes totalling 1258.4 metres of drilling). The 2005 program generated 29 silt, 224 recon rock grab, 29 trench rock channel, 3588 grid soil, and 824 drill core samples. All of the samples were tested for 28 elements by geochemical (ICP or AA) analysis at Global Discovery Laboratories in Vancouver, B.C. Samples that returned gold analyses of greater than 0.2 g/t (and greater than or equal to 0.1 g/t later in the season) were subsequently fire assayed for gold, and those with moderate or high gold grades were additionally subjected to metallic screen assays.

At the JJ Showing area, the 2005 hand trenching has exposed the quartz vein system over a 60-metre strike length. Detailed soil sampling has identified a broad gold and arsenic anomaly, coincident with mineralization. Detailed ground geophysical surveys revealed a linear magnetic low, corresponding to the alteration system surrounding the quartz veins. The drill program completed in October 2005 successfully extended the vein system at depth and along strike.

In the Discovery Showing area, the 2005 detailed grid soil sampling results define a 450-metre long northeast-southwest trending gold anomaly with numerous coincident anomalous rock samples.

The 2005 regional soil grid encompassing 16 square kilometres outlined several additional gold anomalies underlain by prospective andesite host rock. The largest of these, called the Backburn Anomaly, is spatially related to the Discovery area and measures 1500 metres long by 800 metres wide.

During 2006, Strongbow conducted regional and detailed soil geochemical surveys, geological mapping, prospecting, ground geophysical surveys and diamond drilling on the prospect. The program generated 1,500 rock and 4,500 soil geochemical samples. Work was carried out on a number of showings discussed below.

The JJ prospect has a strike length of 700 metres and drill tested epithermal gold mineralization to a depth of at least 250 metres. A ground geophysical survey was carried out.

The Discovery-Backburn Trend is a 3,000 metre long corridor containing a number of mineral showings (Discovery, Backburn, Deadwood, Ember and Zebra). It is located 3,000 metres northeast of the JJ prospect and contains a gold in soil anomaly, characterized by clay and silica altered andesitic fragmental rocks.

The Backburn showing is an area 1,100 metres by 300 metres containing anomalous gold values in soil. A ground geophysical survey was carried out on the Backburn showing. Rock chip and soil samples were collected in this area.

The Ember showing is a 97 metre long quartz vein and breccia system, located at the southern end of the Discovery-Backburn trend. A ground geophysical survey was carried out on the Ember showing. Rock chip and soil samples were collected in this area.

The Deadwood showing is a 200 metre long zone in which closely spaced quartz veins are found within andesitic volcanic rocks. Strongbow collected 105 rock grab and chip samples from this zone. A detailed ground magnetic survey was also completed. The Deadwood showing is located at the western end of the Discovery-Backburn Trend.

The Zebra showing is an 1,100 metre by 700 metre area in which elevated gold values have been detected in soil and bedrock samples.

No field work was reported by the operator in 2009.

Geology and Mineralization

The prospect area is underlain by a northwest-southeast trending shallowly dipping sequence of intermediate and mafic volcanic rocks of the Cretaceous Spences Bridge Group. Sill-like bodies of feldspar porphyry are also present, and felsic dyke (?) rubble has been noted in a few localities. The ages and relationships of these rocks to the main volcanic assemblage are presently unknown.

Major structural features in the local area are north-south oriented high angle normal faults. Two, east to ENE-trending, vague lineaments in the central property area are discernible from aerial photographs, topographic maps and limited field observations. These easterly striking features are roughly parallel with the main soil geochemical anomaly trends and mineral showings identified to date.

Quartz hosted gold and lesser silver mineralization have been identified in widely scattered float occurrences, and in two major vein showings. All of these occurrences exhibit compositions and classic textures typical of low sulphidation epithermal veins and breccias. The styles of mineralization include massive multiphase vein, multistage

breccia, stockwork veinlet, and pyritic silica-carbonate replacement of hostrock. Disseminated pyrite and specular hematite also occur in both quartz matrix and hostrock clasts at the Discovery Showing. Fluid inclusion studies of two vein rubble samples from the discovery area have reported formation temperatures in the range of <200°C to 210°C, indicating minimal erosion of the epithermal system at this site.

The (2003) Discovery Showing represents a large but low grade vein breccia zone having an estimated 4.2m true width over which the 2004 channel sampling returned gold analyses ranging from 0.34 g/t to 0.48 g/t, with negligible silver. This zone trends ENE and is subvertical.

The 2005 detailed soil sample grid in the Discovery Showing area defined a 450-metre long NE-SW trending gold anomaly with numerous coincident anomalous rock samples. This anomaly is spatially associated with a silicified and chloritized alteration zone within andesite flows, as well as a feldspar and hornblende-phyric porphyry dyke. The 2005 regional soil grid identified additional gold anomalies underlain by prospective andesite flows, substantially farther out from but also spatially related to the Discovery area. The largest of these gold-in-soil anomalies, named the Backburn Anomaly, covers an area of 1500m by 800m and is coincident with abundant float and subcrop occurrences of brecciated volcanic rocks that are variably oxidized with a quartz-carbonate-chlorite matrix.

The high grade JJ Showing discovered in 2004 is situated about three kilometers to the southwest of the Discovery Vein, on a subparallel ENE structural trend. It consists of a moderately to steeply dipping zone containing two closely spaced veins (Jan & Jodi Veins) and intensely clay altered andesite wallrock having an estimated combined 2m true width. The quartz veins are massive to colloform banded. Nine large-sized channel samples were collected on a staggered pattern across the zone. Weighted average gold assays across the veins and vein zones are as follows:

1. Three samples (R9-R11) across the Jan Vein:

    19.28 g/t Au over 1.0m length (0.67m true width)

2. Three samples (R12-R14) across the Jodi Vein:

    42.64 g/t Au over 0.93m length (0.62m true width)

3. Sample string R9H-R9-R9F and 0.5m-offset string R14, R14F:

    22.77 g/t Au over 3.0m length (2.0m true width)

4. Sample string R9H-R9-R9F and 0.5m-offset sample R13:

    28.33 g/t Au over 2.5m length (1.67m true width)

These channel samples were taken by or under the close supervision of a registered professional geologist and maintained under his control until delivered to an ISO9001:2000 certified assay analytical laboratory for sample preparation and analysis. Sample locations were marked in the field with flagging and weatherproof tags. A UTM grid location for every site was recorded by GPS unit using NAD 27 datum. Rock sample individual weights ranged from 2.5 to 10 kilograms. The laboratory runs standards and provides resamples at varying intervals for each shipment received. A resample consists of analyzing a second cut (subsample) from the sample pulp(or occasionally the reject portion), and is reported as a rerun (RE) or reject rerun (RRE) on the analysis certificate. At the high grade JJ showing initial gold and silver analyses were by Inductively coupled Plasma- Mass Spectrometry (ICP-MS) and were later checked by metallics fire assays, with good duplication of results in eight of nine samples, which is very good considering the nugget nature of high grade gold mineralization. These results were also checked by resampling by Strongbow Resources Ltd. Prior to their optioning the property from the Company. The level of quality control increases with the significance of the program, with drill core having more duplicates, blanks, standards and reruns than initial prospecting work.

Further hand trenching and channel sampling (by Strongbow) during 2005 intermittently exposed the JJ vein system over a 60-metre strike length and returned gold grades as follows: of 29 channel samples collected, 28 reported greater than 0.1 g/t including 20 samples greater than 1.0 g/t and 10 samples in excess of 12.0 g/t. The 2005 drill program successfully traced the JJ mineralization over a strike length of 350 metres, to vertical depths of 17.5 to 62 metres below surface, and indicated highly variable gold grades as listed in the Table under Drilling Results. In general, the JJ gold mineralization occurs as two types: (1) high-grade associated with dark grey to black (sulphide/sulphosalt?) layers in banded quartz veins, and (2) low-grade disseminated in argillic-chloritic-pyritic altered volcanic wall rocks.

Infrastructure

There is no infrastructure in place on the prospect.

Drilling Results

During October 2005, Strongbow completed an 11-hole diamond drill program generating 1258.4 meters of NQ2 core (core size - 50.5mm diameter) from the JJ Showing area. The main target for drilling was the coincident geochemical-geophysical anomaly that is interpreted to represent the host structure for high grade gold-quartz veins exposed intermittently by hand trenching along a 60-meter strike length. Seven holes (841m) tested this interpreted target over a strike length of approximately 350 meters. Each of these seven holes intersected alteration and quartz veining typical of low sulphidation epithermal systems. Anomalous assay results from the seven holes which targeted the JJ Showing are summarized in the Table below:

DDH	From	To	Interval[1]	Assay[2]	Assay
	(m)	(m)	(m)	(g/t Au)	(g/t Ag)
SC-003	38.60	57.59	18.99	1.38	1.61
Including	48.70	49.70	1.00	16.6	8.60
SC-004	39.58	46.80	7.22	1.10	2.70
Including	39.58	41.65	2.07	2.87	2.56
SC-005	34.44	36.82	2.38	4.22	4.29
	43.15	44.75	1.60	12.4	6.00
	78.20	79.36	1.16	4.52	5.00
SC-006	61.40	65.50	4.1	7.48	4.15
Including	64.25	65.5	1.25	16.2	5.76
	77.90	78.90	1.00	1.23	1.20
SC-007	17.85	19.05	1.20	1.27	1.92
	20.74	24.05	3.31	26.8	28.85
Including	20.74	22.31	1.57	54.5	56.75
	25.15	28.30	3.15	0.92	1.17
SC-008	16.90	17.70	0.80	2.87	3.75
	28.90	41.70	12.80	20.2	14.22
Including	28.90	29.67	0.77	28.6	10.78
And	32.89	35.80	2.91	51.1	46.49
Including	33.65	34.95	1.30	110.4	100.46
And	40.95	41.70	0.75	117.1	49.20
SC-009	25.70	28.90	3.20	2.04	2.41

[1]Current geological interpretations of the mineralized system are preliminary and therefore true widths of mineralization are uncertain. However the true widths of the reported intervals are estimated to be 90-100% and 50-70% of the reported intervals for holes drilled at -45 degrees and -80 degrees, respectively.

[2]All reported assays are uncut.

Hole SC-003 was set up as a 50m step-out to test the western extent of the JJ showing. The hole was oriented at an azimuth of 340° with a -45°dip.

Hole SC-004 was drilled from the same site, and at the same azimuth as SC-003, but at a -80° dip.

Hole SC-005 was drilled at az.326°/dip -45°, as a 50m step-out to the east from the JJ Showing.

Hole SC-006 was drilled under SC-005, at az. 326/dip -80°.

Hole SC-007 was set up 32.5m south of the JJ veins main surface exposure, and drilled at az.335°/dip -45°.

Hole SC-008 was drilled behind SC-007, at az. 340°/dip -80°.

Hole SC-009 is a 300m step-out to the west from the JJ Showing, and was drilled at az. 340°/dip -45°.

The remaining four holes of the program tested additional targets in the vicinity of the JJ Showing:

Hole SC-001 tested the Red Earth Zone, a geochemical target comprising a four-sample soil anomaly located north of the JJ Showing. It was oriented at az. 340°/dip -45°, and encountered fault gouge and breccia with minor gold mineralization from 12.62 to 14.00 m (0.22 to 0.56 g/t Au) and from 15.70 to 18.80 m (0.14 to 0.90 g/t Au).

Hole SC-002 was collared at the same site as SC-001, and was drilled at az. 340°/dip -80°. A zone of minor gold mineralization was intersected between 20.30 and 34.40 m, ranging from 0.40 to 1.12 g/t Au with thin unmineralized bands returning <0.10 g/t Au.

Hole SC-010 was drilled north of SC-005 and -006, to test two gold-in-soil anomalies and a weak to moderate VLF geophysical anomaly. This hole was oriented at az. 340°/dip -45°. Weak gold mineralization was encountered from 88.70 to 90.30 m.

Hole SC-011 tested two other gold-in-soil anomalies and the same VLF geophysical anomaly plus a linear magnetic low feature. The hole was drilled at az. 340°/dip -46°. Weak gold mineralization (0.32 g/t Au) was encountered from 77.20 to 78.20 m.

Strongbow's 2006 program started with a 12 hole, 2,545 meter drill program on the JJ showing in order to follow up the results reported above. This program successfully traced mineralization along strike and down-dip. Results included 6.16 meters of 2.08 g/t gold in hole SC-012 (including 1.73 meters of 5.79 g/t gold), 5.98 meters of 1.42 g/t gold in hole SC-015 (including 0.92 meters of 7.25 g/t gold) and 8 meters of 1.2 g/t gold in hole SC-016 (including 2.83 meters of 2.91 g/t gold).

A second drill program on the JJ showing was completed in November 2006. Over the course of the surface program the bedrock geology of the prospect was mapped and over 4,500 soil and 1,500 rock geochemical samples were collected. Four bedrock gold showings were identified along the length of the DBT including the Deadwood showing. Mineralization at Deadwood consists of narrow (typically <20 cm), closely spaced quartz veins within andesitic volcanic rocks. At the Deadwood showing a total of 105 rock grab and chip samples were collected over a 200 m strike length with 23 samples returning in excess of 1 g/t gold, including the three best samples grading 11.1 g/t gold, 13.2 g/t gold and 13.8 g/t gold. Results from detailed soil sampling were also considered to be encouraging.

In January 2007, Strongbow reported the results from the autumn 2006 drill program. The 6 hole, 2000 meter program tested the JJ vein system to depth. A 20-25 cm well developed quartz vein was encountered in the final two drill holes of this program. Drill holes SC-031 and SC-032 collared at the same set up and azimuth, returned assays of 16.3 g/t Au over 0.23 m and 17.0 g/t Au over 0.5 m, respectively at depths of 120 m and 130 m down dip from surface. The vein was encountered 175 m along strike to the west of drill hole SC-008.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has not yet been informed of any 2010 exploration program by Strongbow who is the operator.

The Viky Prospect - Mexico

The Viky Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

The prospect was discovered in Fiscal 2005 during Almaden's regional exploration program in Central Mexico and is 100% owned by the Company. The property was acquired through staking, although an undivided 100% interest in three small claims located in the vicinity has subsequently been purchased.

In Fiscal 2007, the Company entered into an agreement with Apex Silver Mines Limited ("Apex"). To earn a 60% interest, Apex had to incur exploration expenditures totalling U.S.$5,600,000 and make cash payments of U.S.$1,350,000 to the Company over five years. During Fiscal 2008, Apex abandoned its interest in the prospect.

Expenditures to Date

During Fiscal 2009, the Company incurred $17,349 in exploration costs which were written off to operations. As at December 31, 2009, the Company was carrying the prospect at $1.

Location and Access

The Viky prospect is located in Coahuila State, Central Mexico.

Infrastructure

There is no infrastructure in place on the prospect.

History and Recent Work

During Fiscal 2006, Almaden completed a large program of soil sampling, induced polarization geophysics, prospecting and rock chip sampling on the prospect. Results from the program identified a broad zone of elevated silver, lead and zinc in soil spatially associated with high induced polarization chargeability values at depth.

During 2007, Apex conducted surface mapping and sampling. A magnetic survey was also completed.

In Fiscal 2008, Apex completed a drill program on the property which returned anomalous lead, zinc and silver values. No work was conducted in Fiscal 2009.

Geology and Mineralization

The Viky prospect covers an area of replacement silicification which has developed in folded and deformed thinly bedded limestone. The prospect is considered prospective for silver-rich zones within quartz replacement zones and quartz veining as well as silver-lead-zinc sulphide-rich replacement bodies.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has planned an exploration drilling program for Fiscal 2010 with an estimated budget of $100,000.

The Fuego Prospect - Mexico

The Fuego Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

During Fiscal 2003, the Company's subsidiary, Compania Minera Zapata, S.A. de C.V., acquired 100% interest in the prospect by staking.

In February 2004, the Company entered into an agreement (the "Horseshoe Option" with Horseshoe Gold Mining Inc. ("Horseshoe"). To earn an initial 50% interest, Horseshoe had to maintain the property in good standing, incur exploration expenditures totalling U.S.$2,000,000 and issue 1,000,000 shares to the Company by December 31, 2007 (amended). During Fiscal 2008, the Company was informed by Horseshoe that it had relinquished its option on the prospect.

Expenditures to Date

During Fiscal 2009, the Company incurred $6,179 in costs of maintaining the prospect which were written off to operations. As at December 31, 2009, the Company was carrying the prospect at $1.

Location and Access

The prospect is located in south central Oaxaca State, Mexico and is accessible from the city of Oaxaca by paved highway southeast for 114 kilometers to San Pedro Totolapan, then by unpaved road south for 24 kilometers to San Maria Zoquitlan and a further 32 kilometers of rough winding road extending in a southeasterly direction.

Infrastructure

There is no infrastructure within the immediate area of the prospect.

History and Recent Work

Limited historic mining was last carried out on the prospect in 1905 from open cuts and small scale, shallow underground openings on at least 3 separate quartz veins.

Horseshoe completed a surface geologic mapping and rock and soil sampling program on the prospect. A small Induced Polarization (IP) geophysical survey was carried out to test the effectiveness of this methodology in identifying vein structures that are not exposed.

Geology and Mineralization

The prospect is a high-level, classic quartz-adularia epithermal vein system. The textures identified, including fine grained silica and electrum banding and bladed calcite, are typical of that associated with epithermal vein systems worldwide. Some limited historic workings exist on one of several banded veins identified within a more than 20 meter wide zone of veining and silicification in volcanic rocks. Banded quartz-adularia veins within the vein system generally dip shallowly and are up to 5 meters wide. In the initial work the parallel vein system has been traced nearly a kilometre along strike. To date 16 grab and chip rock samples have been taken on the property of both banded quartz adularia vein material and silicified volcanic wall rock. Visible gold was recognised in several hand specimens collected on the property which were not sent for analysis. The property has excellent infrastructure and represents an epithermal vein system that has had no known previous modern exploration.

Exploration Results

The El Fuego vein system was first examined and sampled by Almaden during a helicopter-supported reconnaissance exploration project in March 2003. There is no evidence of any recent work on the prospect.

In December 2003, a reconnaissance style, field appraisal that included geological mapping and limited rock sampling was carried out by an independent geologist.

In early 2004, reconnaissance geological mapping, sampling and an Induced Polarization survey gave better definition to the vein. This work identified the known veins as resistivity and chargeability highs. Additional resistivity and chargeability highs were identified in this work which suggests that further veins may exist. In 2004 Horseshoe completed a surface geologic mapping and rock and soil sampling program. This program outlined the main vein zone which has been traced in outcrop roughly 1,000 meters along strike. Along this exposed strike length vein widths vary from 3 to 10 meters. Several parallel veins were identified in outcrop as well.

In 2005 and 2006, Horseshoe completed a diamond drill program on the prospect. In all 15 holes were completed for a total of 2,500 meters of drilling. The drilling program intersected banded quartz-adularia veining within broad zones of silicification. The veins are hosted within a package of felsic crystal and lithic bearing tuffaceous volcanic rocks. Zones of silicification and quartz veining were intersected in all 15 holes drilled which were collared along roughly 700 meters of strike length. The most significant assays from the program are tabularized below. Gold and silver values are reported in grams per tonne (g/t) and the intervals are reported in meters (m).

Hole #	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
Hole 1	6.50	10.00	3.50	0.32	60.0
Including	6.00	6.50	0.50	0.70	180.0
Hole 2	128.07	132.20	6.13	1.00	22.0
Hole 3	74.26	74.65	0.39	4.26	100.0
Hole 4	138.00	141.06	3.06	0.55	9.4
Hole 5	75.04	77.70	2.66	1.10	68.5
Hole 6	77.70	79.46	1.76	0.20	29.3
Hole 7	63.09	63.76	0.67	0.31	27.7
Hole 10	86.30	88.00	1.70	0.24	6.8
Hole 11	89.60	95.00	5.40	0.44	33.8
including	91.00	92.00	1.00	1.38	98.2
Hole 14	97.50	97.80	0.30	0.10	142.0
Hole 14	99.00	100.00	1.00	0.91	84.3
Hole 14	104.98	105.68	2.30	0.54	34.5
Hole 15	115.93	118.05	2.12	0.61	59.4
including	116.60	117.22	0.62	1.06	63.7

These results indicate that the vein system is mineralized over a broad strike and dip extent. Geological, geochemical and petrologic studies carried out on the veins intersected in core indicate that the depths at which the vein has been tested are still quite shallow within the hydrothermal system and relative to where high grades are expected. This is in part due to the vein dipping at a shallower angle than expected. Management of both firms are currently reviewing all the data available in order to better understand these results in anticipation of a follow-up drill program designed to test the vein system at greater depths and to target areas highlighted by this first phase drilling.

In addition to diamond drilling along the known extent of the vein system, a geologic mapping, rock-chip and soil sampling program was carried out in January and February 2006 to better define and extend the understanding of the veining and to identify further veins. The soil sampling program defined a gold, silver and antimony in soil anomaly which extends the known trend of gold mineralization by roughly 500 meters.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has no planned exploration program for 2010. A joint venture partner is being sought for the project.

The Tropico Prospect - Mexico

The Tropico Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

The Company's predecessor ("Fairfield") acquired the claims from a subsidiary of BHP Billiton, for a nominal consideration. The property is subject to a 2.25% net smelter return payable to BHP. In Fiscal 1999, Fairfield optioned the property to Santoy Resources Ltd. ("Santoy") who earned a 60% interest. Subsequently, the joint venture purchased the Maricela and Tarantula II claims. The prospect was reduced to these claims but in 2007 the El Recodo claim of 21,000 hectares was staked.

During Fiscal 2008 the Company and Santoy entered into an agreement with Skeena Resources Limited ("Skeena"). To earn a 60% interest, Skeena must maintain the property in good standing, incur exploration expenditures totalling $3,000,000 and issue 1,250,000 shares, 40% to the Company and 60% to Santoy, by March 17, 2012.

Expenditures to Date

During Fiscal 2009, the Company incurred $458 in costs on the prospect. The value of shares received pursuant to the option agreement with Skeena was $4,000. As at December 31, 2009, the Company is carrying this prospect at $1.

Location and Access

The Tropico Prospect is located twenty one kilometres north of Mazatlan, Sinaloa, Mexico and may be accessed via Highway 15 from Mazatlan. Several other paved and unpaved roads provide access to various parts of the prospect from Highway 15. The centre of the prospect is approximately latitude 23 degrees 27 minutes North and longitude 106 degrees 27 minutes west.

History and Recent Work

There has been limited historic exploration for copper and gold as evidenced by numerous pits and diggings in the area. Consejos Recursos Minerales ("CRM"), the Mexican government mining company, mapped the Marmol quadrangle and carried out soil geochemical and geophysical surveys in the San Pablo area located on the southern margin of the Tropico mining concession after claiming it in 1993.

Since 1996, BHP carried out reconnaissance geological mapping at a scale of 1:250,000, photo interpretation and petrographic studies. This work was followed by more detailed geological mapping at 1:25,000. Mapping revealed copper mineralization associated with a layered mafic plutonic sequence. Selected samples were analyzed for platinum group elements with significant anomalous results. A stream sediment survey was carried out over the entire concession area resulting in the identification of additional areas of potential.

In 1998, Fairfield acquired the Tropico and Tropico 2 mining concessions from BHP. The Company carried out limited check sampling of mineral showings which returned anomalous values in copper, silver, gold, platinum and palladium. Santoy also completed check sampling confirming the presence of anomalous platinum, palladium, gold and copper values.

Subsequently, the Company completed four reverse circulation drill holes in an initial test of areas underlain by anomalous copper-gold-platinum-palladium mineralization hosted in a mafic igneous complex.

In July 2000 the parties agreed that the Maricela and Tarantula II claims which were acquired by Santoy be included in the agreement. The claims adjoin the Tropico claims to the south.

In 2001 Santoy carried out line cutting geochemical rock and soil sampling, geological mapping, and geophysical surveys. Favourable results from this work resulted in a 1,500 metre trenching program.

Based on trenching results, Santoy planned further trenching and drilling. Subsequent trenching, drilling, geophysics, geochemical, and geological work were financed by Sumitomo with Santoy acting as operator. After Sumitomo dropped its option on the project, the joint venture dropped the Tropico claims and maintained the Maricela and Tarantula II claims.

Geology and Mineralization

The Tropico Prospect is underlain by a Jurassic-Cretaceous layered mafic igneous complex that intrudes a late Paleozoic basement. The mafic complex is in turn cut by Late Cretaceous-Early Tertiary, diorite that may be the earliest phase of the Sinaloa batholith. Oligocene volcanic rocks and younger thin alluvium cover much of the area, limiting exposures of older rocks to small outcrop areas on hill tops.

The large mafic igneous complex hosts two main types of mineralization; primary copper sulphide minerals and pyrite with associated gold, platinum and palladium values, and secondary copper mineralization developed by oxidation and weathering of the primary sulfide minerals.

Due to limited outcrop exposure, the thickness of the mineralized zones is unknown. Limited reverse circulation drilling data indicates that individual zones of mineralization range up to 21 meters in thickness and extend to depths of at least 70 meters. It should be noted that the intersections may not represent true thickness since more drilling is required to define dimensions of the mineralized zones.

The Maricela and Tarantule II claims are underlain by the same mafic intrusive complex that Santoy has been exploring on the adjoining Tropico claims. Results from previous geological mapping and chip sampling, along with grid soil geochemistry and geophysical surveying have outlined a one kilometre wide copper-gold-silver mineralized

pyroxenite unit that can be traced for a strike length of 2.5 kilometres.

Exploration and Drilling Results

Four reverse circulation drill holes totalling 1980 feet were drilled for 1998 assessment work in two separate areas of economic interest known as Santa Fe and Cerro Capule. Five foot sample intervals for the entire length of the holes were collected and submitted for preparation to the Chemex Lab in Guadalajara, Mexico, then shipped to Vancouver, British Columbia for thirty two element analyses by ICP methods. Gold, platinum and palladium metals were extracted by fire assay and analyzed by ICP methods. Weakly anomalous gold, platinum and palladium values were returned from sampling. Hole TR-1 intersected 0.5% copper over 9 metres.

In 2000, Santoy cut grids and carried out soil sampling that identified an area anomalous in copper, gold and platinum group elements. Prospecting, geological mapping and 30 line kilometres of induced polarization and magnetic surveys were also completed. Several areas had coincident anomalies from both soil geochemistry and geophysics.

In 2001, Santoy completed an approximately 1500 metre trenching program that returned anomalous values in copper, gold, palladium and platinum. Results justified a drilling program to test the trench values at depth.

In February 2002 Sumitomo and Santoy completed a first phase of exploration on the project. This first phase program totalling U.S.$600,000 was financed by Sumitomo and consisted of fifteen diamond drill holes totalling 2,844 meters targeting three of the seven identified soil geochemical anomalies. In addition to the drill program 17 trenches, totalling 2,473 meters were completed. As part of the program, the soil geochemical coverage of the property was extended to cover the most easterly portion of the mafic-ultramafic complex. Two separate coincident copper-platinum-palladium-gold soil geochemical anomalies have resulted from this work.

A review of the work completed by the Mexican government on San Pablo shows that the favourable geology and anomalous Cu/PGM values can be extended for another 1.5 km bringing the overall target to in excess of 3.0 km of strike length.

The following are the key results from the first phase.

Maricela Area - Eight diamond drill holes totaling 1,632 metres were completed on the Maricela area and tested mineralization in trenches 1, 4, 7 and 11. Seven of the eight drill holes have tested under three of the trenches within a 600 x 300 metre portion of the anomalous trend. One drill hole is located a further 400 metres to the east. All of the drill holes on Maricela encountered feldspathic, massive pyroxenite, indicating that the pyroxenitic phases of the ultramafic complex are a minimum of 300 metres thick. The pyroxenite has been extensively altered to secondary tremolite. Sulphide mineralization encountered in these holes comprises variable amounts of chalcopyrite, cubanite, bornite, pyrrhotite, and minor pentlandite. A thick, cumulate phase anorthositic gabbro is interpreted to form the hanging wall unit to the pyroxenite, and a number of surface Cu-PGM occurrences within this unit near the contact remain untested. The lower (footwall) contact is not exposed on surface, and may be partially covered by overlying younger Tertiary volcanics. The lower contact is of particular interest for its potential to develop contact style Cu/PGE mineralization.

Four holes drilled in the Maricela area intersected anomalous copper and precious metal values. Hole M-01-01 intersected 110.5 meters that graded 0.34 % copper, 0.14 g/t Platinum, 0.24 g/t Palladium and 0.09 g/t gold. This included 21.0 meters that averaged 0.79 % copper, 0.29 g/t Platinum, 0.63 g/t Palladium and 0.24 g/t gold. Hole M-01-03 intersected 128.1 meters that graded 0.39 % copper, 0.17 g/t Platinum, 0.23 g/t Palladium and 0.15 g/t gold. Hole M-01-04 intersected 127.4 meters that graded 0.36 % copper, 0.18 g/t Platinum, 0.24 g/t Palladium and 0.13 g/t gold. Hole M-02-08 intersected 38.9 meters that graded 0.50 % copper, 0.25 g/t Platinum, 0.34 g/t Palladium and 0.15 g/t gold. This included 10.9 meters that averaged 0.95 % copper, 0.53 g/t Platinum, 0.68 g/t Palladium and 0.31 g/t gold.

A second phase of exploration was completed in October of 2002. A further four trenches were completed within the Maricela area, bringing the total number of trenches in this area to sixteen. Following this trenching program a second phase of drilling was carried out totaling 1,554 meters in 10 diamond drill holes. Five of these holes tested a 1,100 meter long section of the mafic complex, including the Maricela area. Three holes tested a portion of the projected hangingwall contact area between massive pyroxenite and megacrystic gabbro in the Maricela area. Limited induced polarization work and a further three holes were drilled early in 2003, no significant values were encountered. A limited metallurgical test returned low recoveries of metals.

Infrastructure

All major services are found in Mazatlan, a major city located twenty-one kilometres to the south of the prospect. Labour is available in local towns and villages. There is good road access throughout most of the area and a major highway (Number 15) crosses the western part of the prospect and major power lines also cross the western and eastern portions of the prospect. A local power line network supplies electricity to villages within the area.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has no planned Fiscal 2010 exploration program with all work being conducted by Skeena who is working to earn an interest in the prospect.

The Campanario Prospect - Mexico

The Campanario Prospect is without known reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

The prospect was acquired directly by staking and the Company has a 100% interest. In November 2005, the Company entered into an agreement with Consolidated Spire Ventures Ltd. ("Spire"). To earn a 60% interest, Spire had to incur exploration expenditures of $3,500,000 and issue 500,000 shares to the Company by April 30, 2011. In 2008, the Company terminated the option with Spire for non-performance.

Expenditures to Date

During Fiscal 2009, the Company incurred $7,284 maintaining the prospect which was written off to operations. As at December 31, 2009, the Company was carrying the prospect at $1.

Location and Access

The Campanario property is located near the village of San Miguel del Valle which is located by paved road roughly 25 kilometers southeast of the City of Oaxaca in the State of Oaxaca, Mexico.

Infrastructure

There is no infrastructure in the immediate area of the property.

History and Recent Work

The Campanario prospect was identified during a helicopter reconnaissance program in Fiscal 2003 and acquired by the Company by staking. There is no known mining or exploration history in the area of the prospect.

Geology and Mineralization

The property covers several ridges where outcrop and subcrop of a breccia body has been identified. The breccia consists of fragments of various rock types but dominated by fine-grained quartz-feldspar porphyry clasts that are variably sized and shaped. The fragments are silicified, adularised, clay altered and quartz-veined. The matrix of the breccia consists of quartz and pyrite and the breccia itself is extensively crosscut by a stockwork of pyrite-bearing quartz veining. The breccia body has been traced in outcrop to be at least 150 by 150 meters in size however, float of breccia material suggests that the body or bodies of breccia may encompass a much larger area.

Exploration Results

To date only a very preliminary exploration program has been carried on the prospect. Spire completed a further program of rock and soil sampling and geologic mapping and an induced polarization (IP) geophysical survey in order

to better define the breccia zone and the soil anomaly. By reason of delays encountered arising from civil unrest has made access to the prospect to conduct exploratory drilling operation impracticable. The Company agreed to extend the time for performance of the Initial Expenditures to April 30, 2007.

Planned Work Program - Fiscal 2010, Ending December 31, 2010

The Company has planned a preliminary diamond drilling program for Fiscal 2010 with an estimated budget of $75,000.

The Rock River Coal Prospect - Canada

During Fiscal 2002, the Company acquired a 50% interest in four coal exploration licenses covering 187,698 acres in the Yukon Territory through application to Indian and Northern Affairs Canada. Santoy Resources Ltd. held the remaining 50% interest.

The Company was required to file a statement of work or remit fees based on $0.05 per acre in year one, $0.10 per acre in year two and $0.20 per acre in year three. The licenses expired on July 30, 2007 and were not renewed based on poor drilling results.

Japan Oil, Gas and Metals National Corporation Joint Venture - Mexico

On July 29, 2005, the Company entered into a Letter of Intent and Preliminary Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). The regional joint venture program was to consist of grassroots exploration for base metal deposits over a selected area in Mexico. To keep the joint venture in good standing, JOGMEC had to contribute U.S.$700,000 to this program with U.S.$300,000 of exploration expenditures to be incurred by March 31, 2006 and the remainder by March 31, 2007. JOGMEC could have acquired a 60% interest in any mineral property acquired during the course of the exploration program ("designated property") by incurring an additional U.S.$500,000 of exploration expenditures for each designated property. Any property identified by the program, but not selected as a designated property, shall be 100% owned by the Company.

In addition to the exploration joint venture, JOGMEC could have earned an initial 51% interest in the Company's Santa Isabela property, acquired by staking, by incurring exploration expenditures totaling U.S.$300,000 by October 31, 2005 and by incurring an aggregate of exploration expenditure totaling U.S.$1,000,000 by March 31, 2007. In October, 2005 a program of soil sampling, Induced Polarisation (IP) and magnetics geophysics was conducted. A diamond drill program was also initiated however delays and difficulties in drilling under the timing constraints limited the drilling program to one hole which was drilled to a depth of 363 meters. The drill hole encountered two broad zones of anomalous lead, zinc, silver and arsenic values within zones of bleached, brecciated and calcite veined limestone. The hole was designed to test one of the areas of elevated silver, lead and zinc values in soil. Roughly 400 meters away from the location of this drill hole, IP geophysics identified an area of highly elevated chargeability responses thought to represent massive sulphide style mineralization at depth. Budget and time constraints did not allow for drill testing this anomaly. The alteration and mineralization observed in the hole drilled are interpreted to be typical of that associated with areas peripheral to zones of massive sulphide mineralization.

The road accessible Santa Isabela property covers a roughly 14,000 hectare area and is located in Coahuila State, Mexico. The property covers an area of structurally controlled jasperoid replacement silicification and calcite veining traceable over 700 meters in outcrop and developed within a package of limestones. Silver-lead-zinc mineralization at the Santa Isabela property is thought to represent the upper levels of a potentially much larger mineralized carbonate replacement (CRD) system at depth, likely identified by a geophysical induced polarization ("IP") survey conducted which identified elevated chargeability responses, thought to represent sulphides, at depth. Surface sampling of mineralization has returned grades consistent with CRD style mineralization from the districts within the Mexican CRD Belt. The soil geochemical and induced polarization (IP) geophysical surveys defined two broad zones of coincident elevated zinc, lead and silver in soil and high chargeability response at depth.

In 2006, a second, one hole, diamond drill program was initiated. This drill hole (Hole SI-06-01) was designed to test the higher chargeability feature encountered in the 2005 geophysical program. Economic grades were not intersected in the hole drilled, however the geochemical results and the alteration noted is interpreted to indicate that a strong mineralized system exists on the Santa Isabela property. The drilling is considered insufficient to adequately test the system.

During Fiscal 2007, JOGMEC withdrew from all joint venture activities.

The PV Prospect - Canada

The initial 10 claims (40 units) comprising the PV prospect were acquired by staking by the Company's predecessor ("Fairfield") in October 2001. The Company added 26 single-unit PV claims by staking in February and June 2003, and also staked a separate block of 12 single-unit NIC claims during October 2003.

In March 2004, the Company entered into an agreement with Consolidated Spire Ventures Ltd. ("Spire"). To earn a 60% interest, Spire had to incur exploration expenditures totalling $1.3 million and issue 600,000 shares to the Company by January 10, 2007. In May 2004, the Company completed the staking of an additional 22 mineral claims and was reimbursed by Spire for the costs of this work. These new claims partly overlapped and substantially expanded the previous PV and NIC claim groups, joining them into one contiguous block currently comprising 353 units or approximately 88 square kilometres.

During Fiscal 2005 all but nine of the original (legacy) claims were converted to electronic (BCGS) grid cell claims, and six additional new cell claims were acquired resulting in a land area expansion from 88 to the present 107 square kilometers.

During Fiscal 2006, Spire completed the earn-in requirements and the Company sold its remaining interest for a total of 3,000,000 shares of Spire, 2,000,000 shares issuable immediately (received) and 1,000,0000 shares in one year (received), a 2% NSR and 1,000,000 shares on start of production.

The MOR Prospect - Canada

The claims comprising the MOR Prospect were acquired by staking by the Company's predecessor ("Fairfield") during August 1997 (MOR 1-4), August 1998 (MOR 5-8) and September 1998 (MOR 9-12). The MOR 13 to 52 claims were added in April 1999 when the prospect was optioned to Brett Resources Inc. ("Brett"). Brett carried out an exploration program and then returned the prospect to Fairfield in December 1999. The claims were transferred to the Company upon amalgamation. The surface rights are held by the Teslin Tlingit Council/Yukon First Nations, from whom permission is required for entry to conduct work.

In Fiscal 2003, the Company entered into an agreement with Kobex Resources Ltd. ("Kobex") on the claims comprising the MOR, Caribou Creek and Cabin Lake prospects. During Fiscal 2005, Kobex relinquished its option on all prospects.

In Fiscal 2007, the Company sold its interest in the MOR prospect, the Tim prospect and certain other prospects located in the Yukon Territory and Mexico for a total of 3,500,000 common shares of Tarsis Resources Ltd. (formerly Tarsis Capital Corp.) ("Tarsis"). In addition, the Company retained a NSR equal to 2% of all metals discovered on the prospects and will receive 500,000 common shares of Tarsis if, before July 22, 2009, any of the properties becomes subject to an option agreement with an arm's length party with a commitment by the third party to expend a minimum of $500,000 on the property. The Company received these 500,000 common shares during Fiscal 2008.

The Tim Prospect - Yukon Territory

The Company owned a 100% interest in the prospect, acquired during 2002 from Fairfield through amalgamation.

In Fiscal 2007, the Company sold its interest in the Tim prospect, the MOR prospect and certain other prospects located in the Yukon Territory and Mexico (refer to The MOR Prospect - Canada).

The Ram Prospect - Canada

The Ram claims were acquired from the Company's predecessor ("Fairfield") and were 100% owned by the Company.

In May 2000, Fairfield entered into an agreement (later amended) with Ross River Gold Ltd. (now Ross River Minerals Inc. ("Ross River") whereby Ross River could have earned a 70% interest in the prospect by incurring $500,000 in exploration expenditures by April 1, 2008 and issuing to the Company a total of 390,000 shares.

In January 2008, the Company completed the sale of the Ram prospect to Ross River for 100,000 shares of Ross River and a 2% NSR.

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, 2009, 2008 and 2007 appearing under Item 17 - Financial Statements and listed under Item 19 - Exhibits.

The Company's consolidated financial statements are stated in Canadian Dollars and are prepared in accordance with Canadian GAAP, the application of which, in the case of the Company, conforms in all material respects for the periods presented with U.S. GAAP except as presented in Note 18 to the consolidated financial statements included herein.

The Company is in the business of acquiring and exploring mineral properties and prospects in Canada, the United States 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 2009 compared to Fiscal 2008

The Company's operations during the year ended December 31, 2009 ("Fiscal 2009") produced a net loss of $2,192,959 or $0.05 per share compared to a net loss of $3,961,642 or $0.09 per share for the fiscal year ended December 31, 2008 ("Fiscal 2008"). The decrease in net loss was primarily due to an increase in income from exploration and drilling contractor services provided to a third party, a decrease in general exploration expenses and write-downs of interests in mineral properties and marketable securities. Write-downs of interests in mineral properties fluctuate period to period based on management's evaluation of the carrying value of each mineral property interest held at that time. There was lower income on mineral property options realized in Fiscal 2009. 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. During Fiscal 2009, the income on mineral property options consisted of the receipt of 100,000 shares of Skeena Resources Ltd. pursuant to a 2008 option agreement with an estimated market value of $4,000, the receipt of 200,000 shares of Lincoln Gold Corporation pursuant to a 2007 option agreement with an estimated market value of $6,900 and the receipt of British Columbia mining exploration tax credit of $97,348 including interest. During Fiscal 2008, the income on mineral property options primarily consisted of the receipt of an additional 500,000 shares of Tarsis Resources Ltd. (formerly Tarsis Capital Corp.) ("Tarsis"). Pursuant to the Fiscal 2007 agreement to sell certain of the Company's zinc properties to Tarsis and whereby, if within 24 months of the closing date of the agreement, Tarsis entered into an option agreement with an arm's length third party where that party agreed to expend a minimum of $500,000 and incur exploration expenditures of $200,000 within the 24 months, and there is a further commitment to spend a minimum of an addition $100,000 on exploration, Tarsis issued the Company an additional 500,000 shares. The estimated market value of the transaction was $217,500. During Fiscal 2008, the Company also recognized a permanent impairment of some of its equity holdings due to current market conditions through a write-down of marketable securities. In Fiscal 2009, the Company recognized a loss on the deemed partial dilution of the Company's investment in Tarsis from 33.2% to 27.6% and a future income tax recovery of $93,000 was recognized relating to flow-through shares issued during Fiscal 2008 and renounced in the first quarter of Fiscal 2009. In Fiscal 2009, the loss on the sale of the sale of securities was lower when compared to Fiscal 2008. The Company disposes of its equity securities when, in the view of management, favorable market conditions exist for any of its holdings. Also, the current year resulted in a loss on foreign exchange compared to a gain in the previous year due to fluctuations in the exchange rate for the U.S. and Canadian dollars.

Because the Company is an exploration company, it has no revenue from mining operations. During the year ended December 31, 2009, revenue consisted of interest income and income from exploration and drilling contractor services provided to a third party. During the year ended December 31, 2008, revenue consisted mainly of interest income, other income from exploration and drilling contractor services provided to third parties and the sale of certain geological data.

General and administrative expenses were $1,291,253 in the year ended December 31, 2009, consistent with the year ended December 31, 2008. The Company participated in the Vancouver Resource Investment Conference, the Prospectors and Developers Association Conference in Toronto, the Atlanta Investment Conference and New Orleans Investment Conference. The Company continued to retain Casey Research for a sponsored profile on the Kitco Casey website. The Company's Chairman also made presentations to brokers and fund managers in London and Paris during the year.

General exploration expenses were $665,055 in the year ended December 31, 2009 (2008 - $1,125,202). The decrease is due to less regional exploration being undertaken in Mexico and western USA. In the comparable year, general exploration expenses also included an amount for a late invoice received in the period for a property which was dropped in prior periods.

Significant non-cash items in Fiscal 2009 include gain on dilution and the write-down of interests in mineral properties. Significant non-cash items in Fiscal 2008 include income on mineral property options, the write-down of marketable securities and interests in mineral properties and a loss on the sale of securities and stock option compensation. Stock option compensation is directly related to, and fluctuates based on, the number of stock options granted and vested during any period.

Fiscal 2008 compared to Fiscal 2007

The Company's operations during the year ended December 31, 2008 ("Fiscal 2008") produced a net loss of $3,961,642 or $0.09 per share compared to a net loss of $1,048,820 or $0.02 per share for the fiscal year ended December 31, 2007 ("Fiscal 2007"). The increase in net loss was primarily due to lower income on mineral property options realized in Fiscal 2008, a write-down of marketable securities, an increase in write-down of interests in mineral properties and a loss on the sale of securities compared to a gain in Fiscal 2007. 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. During Fiscal 2008, the income on mineral property options primarily consisted of the receipt of an additional 500,000 shares of Tarsis Capital Corp. ("Tarsis"). Pursuant to the Fiscal 2007 agreement to sell certain of the Company's zinc properties to Tarsis and whereby, if within 24 months of the closing date of the agreement, Tarsis enters into an option agreement with an arm's length third party where that party agrees to expend a minimum of $500,000 and has incurred exploration expenditures of $200,000 within the 24 months and there is a further commitment to spend a minimum of an addition $100,000 on exploration, Tarsis is to issue the Company an additional 500,000 shares. The estimated market value of the transaction was $217,500. During Fiscal 2008, the Company also recognized a permanent impairment of some of its equity holding due to current market conditions through a write-down of marketable securities and an increase in write-down of interests in mineral properties. Write-downs of interests in mineral properties fluctuate period to period based on management's evaluation of the carrying value of each mineral property interest held at that time. The Company also recorded a loss on the sale of securities compared to a gain in Fiscal 2007. The Company disposes of its equity securities when, in the view of management, favorable market conditions exist for any of its holdings. During Fiscal 2007, the income on mineral property options primarily consisted of the receipt of 3,500,000 shares of Tarsis pursuant to the agreement to sell certain of the Company's zinc properties, primarily in the Yukon Territory in Canada and the Erika property in Mexico. The estimated market value of the transaction was $1,120,000 which exceeded the book value of the properties by $969,314. The Company also received option payments of $530,000 and 1,000,000 shares of Canadian Gold Hunter Corp. (value on receipt - $2,000,000) pursuant to the agreement on the Caballo Blanco property which exceeded our carrying value of the property by $333,264. The Company also received the final payment consisting of 1,000,000 shares of Consolidated Spire Ventures Ltd. (value on receipt - $200,000) pursuant to the agreement to sell our 40% interest in the PV property during Fiscal 2006. Also, in Fiscal 2007 the Company recognized a gain on the deemed partial dilution of the Company's investment in Tarsis from 41% to 30% and a future income tax recovery of $642,600 was recognized relating to flow-through shares issued during Fiscal 2006 and renounced in the first quarter of Fiscal 2007.

Because the Company is an exploration company, it has no revenue from mining operations. During Fiscal 2008, revenue consisted of interest income, profits from induced polarization surveys and drilling programs undertaken on behalf of third parties, and the sale of certain geological data which is included in other income. Interest income decreased during Fiscal 2008 with lower funds available for investment and lower interest rates. During the Fiscal 2007, revenue also consisted of the recovery of value-added tax in Mexico included in other income. The recovery of value-added tax in Mexico has decreased as the Company has recovered a significant portion of prior year's payments.

General and administrative expenses were $1,270,628 during Fiscal 2008 compared to $1,510,290 in Fiscal 2007. The decrease is due mainly to lower office and rent expense as the Company rented out a portion of its office space to a third party and a decrease in travel and promotion. The Company participated in the Vancouver Resource Investment Conference, the Prospectors and Developers Association Conference, the Casey Investment Conference in Phoenix, the World Gold Conference, the Agora Financial Investment Symposium and the New Orleans Investment Conference. The Company's President made presentations to brokers and fund managers in London and Paris and the Company hosted a Ludwig von Mises Institute seminar, *Choice in Money: the path to sound currency*. The Company continued to retain Casey Research for a sponsored profile on the Kitco Casey website. The increase in general and administrative expenses in the comparable year was primarily due to the hiring of staff and increased travel and promotion.

General exploration expenses were $1,125,202 in Fiscal 2008 compared to $1,292,578 in Fiscal 2007. The decrease is primarily due to less regional exploration being undertaken in Mexico and western USA. General exploration expenses also included an amount for a late invoice received in the period for a property which was dropped in prior periods.

Significant non-cash items include income on mineral property options, the write-down of marketable securities and interests in mineral properties and a loss on the sale of securities compared to a gain in Fiscal 2007. Income on mineral property options was $334,243 in Fiscal 2008 compared to $1,577,696 in Fiscal 2007. In Fiscal 2008 this income is primarily pursuant to conditions within the Fiscal 2007 agreement selling certain zinc properties to Tarsis. In Fiscal 2007 this income is primarily pursuant to the agreement with Tarsis, the agreement on the Caballo Blanco property and the final payment pursuant to the agreement to sell our 40% interest in the PV property discussed below. Stock option compensation during Fiscal 2008 was $481,600 compared to $700,500 during Fiscal 2007. Stock option compensation is directly related to, and fluctuates based on, the number of stock options granted and vested during any period. Also in Fiscal 2007 the Company recognized a gain on deemed partial dilution of the investment in Tarsis and the recovery of income tax recognized on the renouncement of tax deductibility relating to flow-through shares.

Fiscal 2007 compared to Fiscal 2006

The Company's operations during the year ended December 31, 2007 ("Fiscal 2007") produced a net loss of $1,048,820 or $0.02 per share compared to a net loss of $4,268,775 or $0.10 per share for the fiscal year ended December 31, 2006 ("Fiscal 2006"). The decrease in net loss was primarily due to an increase in income on mineral property options and a decrease in stock-based compensation. Income on mineral property options consists of equity securities and/or cash payments received pursuant to mineral property option agreements and reflects the excess of the market value, in the case of the marketable securities, at the time of receipt over the carrying value of the property. During Fiscal 2007, the income on mineral property options primarily consisted of the receipt of 3,500,000 shares of Tarsis pursuant to the agreement to sell certain of the Company's zinc properties, primarily in the Yukon Territory in Canada and the Erika property in Mexico. The estimated market value of the transaction was $1,120,000 which exceeded the book value of the properties by $969,314. The Company also received option payments of $530,000 and 1,000,000 shares of Canadian Gold Hunter Corp. (value on receipt - $2,000,000) pursuant to the agreement on the Caballo Blanco property which exceeded our carrying value of the property by $333,264. The Company also received the final payment consisting of 1,000,000 shares of Consolidated Spire Ventures Ltd. (value on receipt - $200,000) pursuant to the agreement to sell our 40% interest in the PV property, which represented the majority of income on mineral property options during Fiscal 2006. Stock-based compensation expense is directly related to, and fluctuates based on, the number of stock option granted during any period. A future income tax recovery of $642,600 was recognized during Fiscal 2007 relating to flow-through shares issued during Fiscal 2006 and renounced in the first quarter of Fiscal 2007.

Because the Company is an exploration company, it has no revenue from mining operations. Revenue consists primarily of interest income and the recovery of value-added tax in Mexico included in other income. Interest income remained consistent in Fiscal 2007 compared with Fiscal 2006. The recovery of value-added tax in Mexico decreased during Fiscal 2007 as the Company recovered much of prior year's recoveries in Fiscal 2006. With the increase in recovery of value-added tax over the past several years, the Company has lower recoverable balances remaining. Some of the value-added tax recovered in Fiscal 2007 relates to claims made in the prior year. The recovery of

value-added tax in Mexico has been inconsistent throughout the years and although increasing, the Company cannot be certain this will continue to be the trend.

General and administrative expenses were $1,510,290 during Fiscal 2007 compared to $1,195,495 in Fiscal 2006. This increase is due mainly to the hiring of staff which increased office and licences to $334,054 and an increase in travel and promotion to $251,029. The Company participated in the Vancouver Resource Investment Conference, the Prospectors and Developers Association Conference, the Latin America Mining Congress in Miami, the World Gold, PMG, & Diamond Investment Conference, the True Wealth Gold & Commodities Conference in Long Beach, the Agora Financial Investment Symposium and the New Orleans Investment Conference. The Company engaged Roth Investor Relations Inc. of New Jersey who organized a presentation to various fund managers and stock brokers in Chicago, New York and Boston. The Company also continued to retain Casey Research for a sponsored profile on the Kitco Casey website.

General exploration costs were $1,292,578 in Fiscal 2007 compared to $718,191 in Fiscal 2006. The increase is primarily due to increased exploration being undertaken in the western USA and Mexico.

Significant non-cash items include income on mineral property options, the gain on deemed partial dilution of the investment in Tarsis and the recovery of income tax recognized on the renouncement of tax deductibility relating to flow-through shares. Income on mineral property options was $1,577,696 in Fiscal 2007 compared to $527,811 in Fiscal 2006. In Fiscal 2007 this income is primarily pursuant to the agreement to sell certain of the Company's zinc properties, the agreement on the Caballo Blanco property and the final payment pursuant to the agreement to sell our 40% interest in the PV property, all discussed above. In Fiscal 2006 the majority of income on mineral property options is from the receipt of 2,000,000 shares (value on receipt - $540,250) of Consolidated Spire Ventures Ltd. pursuant to the agreement to sell our interest in the PV property. Stock-based compensation during Fiscal 2007 was $700,500 as compared to $2,488,900 during Fiscal 2006.

Liquidity and Capital Resources

Fiscal 2009

At the end of Fiscal 2009, the Company had working capital of $14,529,582 including cash and cash equivalents of $13,142,671 compared to working capital of $13,177,348 including cash and cash equivalents of $12,318,950 at the end of Fiscal 2008. The increase in working capital and cash and cash equivalents is primarily due to two private placement financings and lower expenditures on mineral properties. In addition, the market value of the Company's inventory of gold bullion (1,597 ounces) at December 31, 2009 was $1,839,421 or $1,564,653 above book value as presented in the financial statements. This value differs from the GAAP valuation on the balance sheet which is at the lower of cost or market. Should the Company dispose of all its marketable securities at one particular time, it may not realize the value stated on its balance sheet. Instead, the Company disposes of equities when favorable market conditions exist for any of its holdings. 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 related to the deductibility of certain expenditures between February 1, 1995 and January 31, 1997. The Company appealed the Ministry's decision and on July 3, 2009, the Supreme Court of British Columbia made judgement in favour of the Company. The $281,871 the Company paid and expensed in order to reduce the exposure to interest charges was refunded with interest. Costs were also awarded to the Company. The Company's cash resources are sufficient to meet its anticipated working capital and mineral exploration requirements for 2010 and 2011. The Company has no long-term debt.

Cash used for operating activities during Fiscal 2009 was $946,188 compared to $1,260,980 during Fiscal 2008. Significant non-cash expenses are discussed above.

Cash flows from financing activities during Fiscal 2009 were $2,700,202 compared to $814,870 during Fiscal 2008. The source of cash during Fiscal 2009 is from the issuance of shares pursuant to two private placement financings.

One consisted of 226,316 units at a price of $0.95 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 $1.15 per share until March 31, 2010. 7,000 non-flow-through common shares were issued to a finder in respect of this placement. The second consisted of 3,060,000 units at a price of $0.85 per share. Each unit consists of one common share and one-half of a warrant with each whole warrant entitling the holder to purchase one additional common share at a price of $1.40 per share until December 17, 2011. 236,000 finder's warrant entitling the finder to purchase 236,000 units at $0.85 per unit until December 17, 2011 was issued to a finder in respect of this placement. 154,000 stock options were also exercised during Fiscal 2009. During Fiscal 2008, $814,870 was received from the issuance of 103,500 flow-through common shares at $2.50 per share and 86,000 flow-through units at $0.70 per unit pursuant to private placements less share issue costs, and $520,211 was received on the exercise of 866,691 stock options. Please see the consolidated statements of shareholders' equity and Note 9 to the consolidated financial statements for the year ended December 31, 2009 for further details.

Cash used for investing activities during Fiscal 2009 was $930,293 compared to $1,783,700 during Fiscal 2008. During Fiscal 2009, the Company made investments in mineral properties of $1,119,474 and recovered $119,958 compared to investments in mineral properties of $3,105,824 and recovery of $200,038 during Fiscal 2008. Significant investments during Fiscal 2009 include a drill program on the Tuligtic property in Mexico ($855,200), further evaluation on the ATW diamond property in the Northwest Territories ($399,103), further evaluation of the Elk gold property in B.C. ($322,384) and a geological mapping and sampling program on the Caldera property in Mexico ($154,765). Investments in mineral property interests are net of any proceeds received from option agreements and costs recovered or written-off to operations. Significant investments during Fiscal 2008 include a drill program and further evaluation on the ATW diamond property in the Northwest Territories ($395,211), full payment of the remaining purchase price for the Matehaupil concession in Mexico ($358,233), staking and a follow-up mapping and rock chip sampling program on the Willow project in Nevada ($342,124), further evaluation of the Elk gold property in B.C. ($272,501), geophysical, geochemical and geological surveys and some additional staking on the Caldera gold property ($250,861) and on the Tuligtic gold property ($167,387), both in Mexico, and geophysical, geochemical and geological surveys on the San Carlos copper gold property in Mexico ($150,295). During Fiscal 2008, the Company also recovered $446,964 of the $585,903 mineral property deposit made during Fiscal 2007 for the Matehuapil concession upon the payment of the full purchase price. During Fiscal 2008, the Company had proceeds from the sale of equity securities of $935,705 compared to $103,217 in Fiscal 2009. This relates to the sale of equity securities received as income from mineral property option agreements at a price in excess of their original value. The Company invested $186,608 in property, plant and equipment during Fiscal 2008 compared to $31,494 in Fiscal 2009. There were no gold sales during Fiscal 2009 and Fiscal 2008. The Company presently has sufficient financial resources to undertake all of its currently planned exploration programs.

Fiscal 2008

At the end of Fiscal 2008, the Company had working capital of $13,177,348 including cash and cash equivalents of $12,318,950 compared to working capital of $17,415,132 including cash and cash equivalents of $14,548,760 at the end of Fiscal 2007. The decrease in cash and working capital in Fiscal 2008 is mainly due to the investment in mineral properties. In addition, the market value of the Company's inventory of gold bullion (1,597 ounces) at the end of Fiscal 2008 was $1,722,477 or $1,447,709 above book value. This value differs from the GAAP valuation on the balance sheet which is at the lower of cost or market. Should the Company dispose of all its marketable securities at one particular time, it may not realize the value stated on its balance sheet. Instead, the Company disposes of equities when favorable market conditions exist for any of its holdings. Also the Company is appealing additional mineral tax assessed 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. The British Columbia Supreme Court heard the matter January 12, 2009 and reserved judgement. In order to reduce the exposure to interest charges, the Company paid and expensed $281,871 which will be refunded with interest if the Company is successful in defending its position. The Company reversed a liability for mineral tax in respect of the deductibility of certain expenditures from gold sales in 2000 to 2002. The Ministry has assessed those years for mineral taxes and the Company has paid the liability. The Company expects its cash resources to be sufficient to meet its working capital and mineral exploration requirements for at least the next year. The Company has no long-term debt.

Cash used for operating activities during Fiscal 2008 was $1,260,980 compared to $2,228,550 during Fiscal 2007. Significant non-cash expenses as discussed above.

Cash flows from financing activities during Fiscal 2008 were $ 814,870 compared to $1,097,893 during Fiscal 2007. The source of cash during Fiscal 2008 is from the issuance of flow-through shares pursuant to private placements ($294,660) and the exercise of stock options ($520,211). Fiscal 2007 is from the exercise of stock options ($935,456) and the exercise of share purchase warrants ($162,437). Please see the consolidated statements of shareholders' equity and Note 9 to the consolidated financial statements for the year ended December 31, 2008 for further details.

Cash used for investing activities during Fiscal 2008 was $1,783,700 compared to $3,117,539 during Fiscal 2007. During Fiscal 2008, the Company had proceeds from the sale of equity securities of $935,705 compared to $589,897 in Fiscal 2007. This relates to the sale of equity securities received as income from mineral property option agreements at a price in excess of their original value. The Company invested $186,608 in property, plant and equipment during Fiscal 2008, primarily on the purchase of vehicles ($49,952) and a motor for the drill ($79,000). During Fiscal 2007, the Company invested $173,418 in property, plant and equipment, primarily the purchase of vehicles ($88,460) and field equipment ($62,150) to be used in exploration. During Fiscal 2008, the Company made investments of $3,105,824 in mineral properties interests compared to $3,760,334 during Fiscal 2007. Significant investments during Fiscal 2008 include a drill program and further evaluation on the ATW diamond property in the Northwest Territories ($395,211), full payment of the remaining purchase price for the Matehaupil concession in Mexico ($358,233), staking and a follow-up mapping and rock chip sampling program on the Willow project in Nevada ($342,124), further evaluation of the Elk gold property in B.C. ($272,501), geophysical, geochemical and geological surveys and some additional staking on the Caldera gold property ($250,861) and on the Tuligtic gold property ($167,387), both in Mexico, and geophysical, geochemical and geological surveys on the San Carlos copper gold property in Mexico ($150,295). During Fiscal 2008, the Company also recovered $446,964 of the $585,903 mineral property deposit made during Fiscal 2007 for the Matehuapil concession upon the payment of the full purchase price. Significant investments during Fiscal 2007 include the acquisition of Comaplex's 60% option interest in the Caballo Blanco property in Mexico for $1,462,000 and the final acquisition payment to the original owner of $245,700, the exploration and drilling undertaken at Elk ($913,132) and the staking of new claims in Nevada and Utah ($578,661). Investments in mineral property interests are net of any proceeds received from option agreements, costs recovered and claim maintenance costs which are written-off to operations. There were no gold sales during Fiscal 2008 and Fiscal 2007. The Company presently has sufficient financial resources to undertake all of its currently planned exploration programs.

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

After a period of low prices, metals rose to record levels and then turned sharply downward and have now risen well above their lows but not to the record highs of 2008. This appears to be related to demand from large developing nations that are stockpiling metals, securing long term contracts for concentrates and buying up properties and companies with undeveloped deposits. 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. These factors require frequent review of plans and budgets against a backdrop of fewer good exploration and development new projects along with the long term shortage of skilled exploration personnel.

Previous merger and acquisition activity in large organizations has slowed, at least in part because there are fewer large companies left and fewer that are vulnerable to takeover. This activity is expected to move down to intermediate and smaller companies with attractive assets. This creates difficulties in valuations for assets in relation to often depressed stock market prices.

In the past year, larger companies divested of non-core assets to reduce their debt burden and juniors that were well financed were seeking to acquire so called advanced properties acquired many of these rather than conduct grassroots exploration. As a result, there are fewer such properties available at a time when there is an appetite to finance such properties. There is a risk that successful promotion will lead to the funding of undeserving projects.

The uncertain times have lead to a need by 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 mining 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 not allowed. 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 large 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 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, the most important of which is the local community where the project is.

84

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, good exploration projects based on sound geological work continues. While there is a current interest by the investment community in high potential gold projects, this also seems a good time for assembly of promising base metal project's in anticipation of increasing demand and prices.

Off-balance Sheet Arrangements

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

Related party transactions

A total of $189,200 (2008 - $171,375; 2007 - $181,713) was paid to Hawk Mountain Resources Ltd., a company controlled by Duane Poliquin, Chairman of the Board and Director of the Company, for geological consulting services and general and administrative services provided during the year. A total of $3,780 (2008 - $Nil; 2007 - $6,490) was paid to Smee & Associates Consulting Ltd, a company owned by Barry Smee, a Director of the Company, and his wife, for consulting services provided during the year. A total of $Nil (2008 - $5,000; 2007 - $Nil) was paid to KGE Management Ltd., a company owned by Gerald Carlson, a Director of the Company, and his wife, for geological consulting services provided during the year. A total of $52,875 (2008 - $52,375; 2007 - $115,892) was paid to Marc Blythe, the Vice-President-Mining of the Company for technical services during the year. These amounts are included in general exploration and mineral property costs. A total of $60,000 (2008 - $61,000; 2007 - $11,000) was paid to Pacific Opportunity Capital Ltd., a company controlled by Mark T. Brown, Chief Financial Officer of the Company, for financial and administrative services during the year. This amount is included in professional fees. During 2009, $33,000 ($2008 - $Nil; 2007 - $Nil) was paid in Directors fees.

A company with a common officer holds 25,000 warrants of the Company. In Fiscal 2007, the Company had investments in two companies which had optioned properties from the Company which have one director in common with the Company.

During Fiscal 2009, the Company charged Tarsis Resources Ltd. (formerly Tarsis Capital Corp.) a company with one director and two officers in common with the Company, $55,189 for office rent and various expenses (2008 - $79,215; 2007 - $22,899). During Fiscal 2008, the Company sold a mineral property to Tarsis.

Accounts receivable at December 31, 2009 included $13,179 (2008 - $35,646; 2007 - $49,863) owing from related companies. Accounts payable at December 31, 2009 included $Nil (2008 - $15,847; 2007 - $7,300) due to related companies.

Cautionary Statement Regarding Forward-Looking Information

This annual report contains forward-looking statements about the Company's operations and planned future activities within the meaning of the safe harbor for such statements under the Private Securities Litigation Reform Act of 1995 and within the meaning of the Canadian Securities Law. Statements that are not historical fact and relate to predictions, expectations, belief, plans, projections, objectives, assumptions, future events, or future performance may be "forward-looking statements". You are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, the items disclosed in risk factors in *Item 3. Key Information.*

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, 2011. 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. During Fiscal 2007, the Company entered into contracts with the Chief Executive Officer and Chief Operating Officer (now the Chairman and Chief Executive Officer, respectively) for remuneration of $140,000 annually for two years, renewable for two additional successive terms of 24 months. Effective January 1, 2009, remuneration increased to $165,000 annually and the contracts will be renewed for additional successive terms of 24 months. During Fiscal 2007, the Company also entered into a Financial, Administrative and Executive Services Agreement with its Chief Financial Officer and a company controlled by him for a term of one year, renewable for additional successive terms of 12 months, for remuneration of $6,000 per month for the first three months and $5,000 per month thereafter. Table No. 4 lists the total contractual obligations as at December 31, 2009 for each period.

Table No. 4

Contractual Obligations of the Company

	Payments due by period				
	Total	less than 1 year	1 - 3 years	3 - 5 Years	more than 5 years
Operating lease obligations	$65,070	$60,700	$5,000	-	-
Executive contracts	$660,000	$330,000	$330,000	-	-
Financial services contract	$60,000	$60,000	-	-	-

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

Forward-Looking Statements Safe Harbor

Certain statements contained in this report regarding future operating results or performance or business plans or prospects and any other statements not constituting historical fact are *"forward-looking statements"* subject to the safe harbor created by Section 27A of the Securities Act 1933 and Section 21E of the Securities Exchange Act 1934 and Canadian Securities Law. Where possible, the words *"believe," "expect," "anticipate," "intend," "should," "will," "planned," "estimated," "potential," "goal," "outlook,"* and similar expressions, as they relate to the Company, its management, or the Company's property interests , have been used to identify such forward-looking statements. All forward-looking statements reflect only current beliefs and assumptions with respect to future business plans, prospects, decisions and results, and are based on information currently available to the Company. Accordingly, the statements are subject to significant risks, uncertainties and contingencies which could cause the Company's actual business plans or prospects to differ materially from those expressed in, or implied by, these statements. Such risks, uncertainties and contingencies include, but are not limited to, general economic conditions. Additional factors that could cause the companies' results to differ materially from those described in the forward-looking statements are described in detail in this report under the heading Risk Factors. Unless required by law the Company does not undertake any obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Canadian Critical Accounting Policies

The Company's significant accounting policies are set out in Note 2 of the audited consolidated financial statements for the year ended December 31, 2009. There are two policies that may not be readily understood. These policies relate to the valuation of capitalizing of mineral exploration expenditures and the calculation of stock-based compensation.

The Company defers all costs relating to the acquisition and exploration of its mineral properties. Any revenues received from such properties are credited against the costs of the property. If commercial production commenced on any of the Company's properties, all costs would be charged to operations on a unit-of-production method. The Company's management periodically reviews the results of its exploration programs. Any decisions to abandon or reduce exploration efforts on any of its properties would result in a charge to operations when such decision is made. There is not a predetermined hold period for any property as geological or economic circumstances render each property unique.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the establishment of a sufficient quantity of economically 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.

The Company accounts for options granted under its fixed stock option plan 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 calculated using a Black-Scholes option pricing model, 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

Canadian Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the audited consolidated financial statements for the year ended December 31, 2009. Significant estimates used in the preparation of these consolidated financial statements include, amongst other things, depreciation, determination of net recoverable value of assets including mineral properties, asset retirement obligations, the extent of any permanent decline in the value of marketable securities, stock-based compensation, provisions for income taxes and contingencies.

Canadian Accounting Policies and Principles

Financial instruments

Comprehensive income

Comprehensive income comprises the Company's net income and other comprehensive income. Other comprehensive income represents changes in shareholders' equity during a period arising from non-owner sources and, for the Company, principally includes unrealized gains and losses on available-for-sale securities. The Company's comprehensive income, components of other comprehensive income, and accumulated other comprehensive income are presented in the statements of comprehensive income (loss) and the statements of shareholders' equity.

Financial assets and financial liabilities

(a)

Classification

The Company has implemented the following classification of its financial assets and financial liabilities:

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Cash and cash equivalents are classified as held for trading and are measured at fair value.

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Accounts receivable are classified as "loans and receivables". They are measured at amortized cost. At December 31, 2009, the recorded amount approximates fair value.

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Marketable securities are classified as "available for sale". Available for sale assets and liabilities are measured at fair value with unrealized gains and losses recorded in other comprehensive income until the instrument is either sold or suffers an impairment that is other than temporary.

-

Accounts payable and accrued liabilities are classified as "other financial liabilities" and are measured at amortized cost. At December 31, 2009, the recorded amount approximates fair value.

Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability are added to the carrying amount of the financial asset or financial liability, and are amortized to income using the effective interest rate method.

(b)

Derivatives

All derivative instruments are recorded on the balance sheet at fair value. At December 31, 2009, the Company does not have any derivative instruments designated as hedging instruments.

(c)

Embedded derivatives

Derivatives may be embedded in other financial instruments (host instruments). Embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is not classified as held for trading. These embedded derivatives are measured at fair value on the balance sheet with subsequent changes in fair value recognized in income. The Company has not identified any embedded derivatives that are required to be accounted for separately from the host contract.

(d)

Additional financial instruments disclosures effective December 31, 2009

In June 2009, the CICA Handbook Section 3862 was amended to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure. The additional fair value measurements disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuation based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Changes in accounting policies

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted Section 3064, *Goodwill and Intangible Assets*, issued by the CICA. The new standard replaces Section 3062, *Goodwill and Other Intangible Assets* and Section 3450*, Research and Development Costs.* The new pronouncement established standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new standard does not have a material impact on the Company's consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Liabilities

In January 2009, the CICA issued the Emerging Issues Committee ("EIC") Abstract EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", effective for interim and annual financial statements ending on or after January 20, 2009. EIC-173 provides further information on the determination of the fair value of financial assets and financial liabilities under Section 3855, "Financial Instruments - Recognition and Measurement". It states that an entity's own credit and credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 should be applied retroactively, without restatement of prior periods, to all financial assets and liabilities measured at fair value. The Company

adopted this abstract during the first quarter of the 2009 fiscal year and this standard did not have a material impact on the Company's financial statements.

Mining Exploration Costs

In March 2009, the CICA issued the EIC-174, "Mining Exploration Costs", which provides guidance on capitalization on exploration costs related to mining properties. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and financial statements. The Company adopted this EIC effective March 1, 2009. The Company has evaluated the new standard and determined that the adoption of these new requirements will have no impact on the Company's financial statements.

Future accounting pronouncements

Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued the new handbook Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-controlling Interests", effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of these recommendations is permitted. These pronouncements further align Canadian GAAP with US GAAP and IFRS. Sections 1601 and 1602 change the accounting and reporting for ownership interest in subsidiaries held by parties other than the parent. Non-controlling interests are to be presented in the consolidated statement of financial position within equity but separate from the parent's equity. The amount of consolidated net income attributable to the parent and to the non-controlling interest is to be clearly identified and presented on the face of the consolidated statement of income. In addition, these pronouncements establish standards for a change in the parent's ownership interest in a subsidiary and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. They also establish reporting requirements for providing sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. The Company is currently considering the impact of adopting these pronouncements on its consolidated financial statements in 2010 in connection with the conversion to IFRS.

Business Combinations

In January 2009, the CICA issued Sections 1582, *Business Combinations,* Section 1601, *Consolidations,* and Section 1602, *Non-controlling Interests.* These new standards are harmonized with International Financial Reporting Standards (IFRS). Section 1582 specifies a number of changes, including a change in the basis of measurement of non-controlling interests and a requirement to recognize acquisition-related costs as expenses. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. The new standards will become effective in 2011.

Convergence with International Financial Reporting Standards

In February 2008, Canada's Accounting Standards Board confirmed that Canadian GAAP, as used by public companies, will be converged with International Financial Reporting Standards (IFRS) effective January 1, 2011. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of 2011 when the Company will prepare both the current and comparative financial information using IFRS.

While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences on recognition, measurement, and disclosures. The Company commenced its IFRS conversion project in late 2007. The project consists of four phases: raise awareness; assessment; design; and implementation. With the assistance of an external expert advisor, the Company completed a high level review of the major differences between Canadian GAAP and IFRS as applicable to the Company. While a number of differences were identified, the areas of highest potential impact included property, plant and equipment, certain aspects of revenue recognition, income taxes, employee future benefits, stock-based compensation, presentation, and disclosure, as well as the initial selection of applicable transition exemptions under the provisions of IFRS 1 First Time Adoption. The Company has not identified further areas subject to significant change during subsequent phases of the transition project. The conversion project is on-schedule, and a timetable for opening balance sheet and comparative information preparation is in place for 2010. All activities required to be complete prior to January 1, 2010 were completed in 2009, including designation of all hedging arrangements in an IFRS-compliant manner.

The current focus of the project is identification of local level impacts for the opening balance sheet in each of the Company's operations, and finalization of the IFRS 1 transition exemptions to be taken. The following summary of opening balance sheet transitional provisions to be adopted and their likely impacts indicates the progress of our work in each topic area identified as having a potential high impact. It is not an exhaustive list; if further transitional elections are found to be beneficial to the transition process as the opening balance sheet preparation progresses, then such exemptions may be taken.

Fixed assets: No transitional elections will be taken. The Company will retain assets at historical costs upon transition rather than taking the allowed election to recognize assets at fair value. The technical analysis completed by the Company has indicated that the transition to IFRS will not have a material impact on the Company's fixed asset or associated accumulated depreciation balance upon transition.

Differences between Canadian and U.S. Generally Accepted Accounting Principles

These consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") conform to those generally accepted in the United States ("U.S. GAAP"), in all material respects, except as noted below:

Mineral Properties

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

Investment

Under Canadian and U.S. GAAP, the Company accounts for its investment in Tarsis using the equity method of accounting. Under U.S. GAAP, the Company's share of Tarsis' loss was $188,344, $677,578 and $74,003 higher in 2007, 2008 and 2009, respectively, to reflect the fact that Tarsis is required to expense exploration expenditures under U.S. GAAP and to account for the differences in the U.S. GAAP treatment of flow-through shares as described below.

During 2009, Tarsis issued shares and diluted the Company's equity interest from 33.2% to 27.6%. For Canadian GAAP purposes, the Company recorded a loss on dilution of $196,476 (2007 - gain of $436,296) as a component of the equity loss. Under US GAAP, gains and losses on dilution related to investments in development stage enterprises are considered to be capital transactions and recorded directly to shareholders' equity. There was no dilution in 2008.

Flow-through Common Shares

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 accounted for the issue of flow-through shares in accordance with the provisions of CICA Emerging Issues Committee Abstract 146, *Flow-Through Shares.* At the time of issue, the funds received are recorded as share capital. At the time of the filing of the renunciation of the flow through expenditures to the investors, the Company records a future income tax liability with a charge directly to shareholders' equity. During 2009, the Company renounced $93,000 of the flow-through shares.

For US GAAP purposes, the premium paid for flow through shares in excess of the market value at the time of issue 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. The recognition of the future income tax liability upon renunciation of the flow through expenditures is recorded as income tax expense in the period of renunciation.

Changes in U.S. Accounting Policies

Accounting Standards Codification

In June 2009, FASB issued Accounting Standards Codification ("ASC") Topic 105, "Generally Accepted Accounting Principles." ASC Topic 105 establishes the FASB Accounting Standards Codification ("Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by non-governmental entities in the preparation of financial statements in conformity with US GAAP for the Securities and Exchange Commission ("SEC") registrants. All guidance contained in the Codification carries an equal level of authority. The Codification supersedes all existing non-SEC accounting and reporting standards. The FASB will no longer issue new standards in

the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. The FASB will instead issue new standards in the form of Accounting Standards Updates ("ASU"). The FASB will not consider ASUs as authoritative in their own right and ASUs will serve only to update the Codification, provide background information about the guidance and provide the basis for conclusions on changes in Codification. These changes and the Codification itself do not change US GAAP. The adoption of these changes has only impacted the manner in which new accounting guidance under US GAAP is referenced. It did not impact our consolidated financial statements.

Fair Value Measurements and Disclosures

In September 2006, Financial Accountings Standards Board ("FASB") issued an amendment included in ASC 820 Fair Value Measurements and Disclosures (formerly SFAS 157, Fair Value Measurements), which defines fair value, establishes a framework for measuring fair value and expands fair value disclosures. The standard does not require any new fair value measurements. The effective date for certain non-financial assets and non-financial liabilities was deferred to years beginning after November 15, 2008, and interim periods within those years. The Company adopted the standard on January 1, 2009 without significant effect on the Company's financial statements.

Business Combinations

In December 2007, FASB issued an amendment to ASC 805 Business Combinations (formerly SFAS 141(R),

Business Combinations), which retains the fundamental requirements that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. The standard applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annul reporting period beginning on or after December 15, 2008. The Company adopted the standard on January 1, 2009 without significant effect on the Company's financial statements.

Consolidations

In December 2007, FASB issued an amendment to ASC 810 Consolidations (formerly SFAS 160, Non controlling interests in consolidated financial statements, which amended ARB 51, to establish accounting and reporting standards for a non-controlling interest in a subsidiary and for deconsolidation of a subsidiary. The standard applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company adopted the standard on January 1, 2009 without significant effect on the Company's financial statements.

Derivatives and Hedging

In March 2008, the FASB issued an amendment to ASC 815 Derivatives and Hedging (formerly FASB Statement No. 161, Disclosure about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133 ("FAS 161")) which provides revised guidance for enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and the related hedged items are accounted for under ASC 815, and how derivative instruments and the related hedged items affect an entity's financial position, financial performance and cash flows. The Company adopted the standard on January 1, 2009 without significant effect on the Company's financial statements.

In April 2009, an amendment was issued to ASC 815 Derivatives and Hedging which addresses whether an equity-linked financial instrument (or embedded feature) is indexed to an entity's own stock, an important consideration in determining the instrument's accounting classification. The amendment is effective for annual periods beginning after December 15, 2008. The Company adopted the standard on January 1, 2009 with no impact on the Company's financial statements.

Intangibles - Goodwill and Other

In April 2008, the FASB issued an amendment to ASC 350 Intangibles - Goodwill and Other (formerly FSP No. FAS 142-3, Determination of the Useful Life of Intangible Assets") which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under ASC 350. The intent of this amendment is to improve consistency between the useful life of a recognize intangible asset under ASC 350 and the period of expected cash flows used to measure the fair value of the asset under ASC 805 Business Combinations (formerly FASB Statement No. 141, Business Combinations). The amendment is effective for the Company's fiscal year beginning January 1, 2009 and has been applied prospectively to intangible assets acquired after the effective date. The Company adopted the standard on January 1, 2009 without significant effect on the

Company's financial statements.

Subsequent Events

In May 2009, the FASB issued ASC 855 Subsequent Events which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued. The standard is based on similar principles as those that previously existed in the auditing standard. The standard is effective for interim and annual periods ending after June 15, 2009. The Company has adopted the standard for the annual period ending December 31, 2009 without significant effect.

The Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value, with the objective of improving financial reporting by mitigating volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The provisions of SFAS 159 are effective for the Company's fiscal year beginning January 1, 2008. The adoption of SFAS 159 did not have a material impact on the Company's consolidated financial results.

Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active

In October 2008, the FASB issued FSP No. FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active* ("FSP FAS 157-3"), which clarifies the application of FASB Statement No. 157, *Fair Value Measurements* ("FAS 157") in an inactive market. The intent of this FSP is to provide guidance on how the fair value of a financial asset is to be determined when the market for that financial asset is inactive. FSP FAS 157-3 states that determining fair value in an inactive market depends on the facts and circumstances, requires the use of significant judgment and in some cases, observable inputs may require significant adjustments based on unobservable data. Regardless of the valuation technique used, and entity must include appropriate risk adjustments that market participants would make for non-performance and liquidity risks when determining fair value of an asset in an inactive market. FSP FAS 157-3 was effective upon issuance. The Company has incorporated the principles of FSP FAS 157-3 in determining the fair value of financial assets.

The Hierarchy of Generally Accepted Accounting Principles

In May 2008, the FASB issued FASB Statement No. 162, *The Hierarchy of Generally Accepted Accounting Principles* ("FAS 162") which identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of non-governmental entities that are presented in conformity with GAAP. FAS 162 is effective 60 days following the Security and Exchange Commission's ("SEC") approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Present Fairly in Conformity with GAAP*. The Company does not expect the adoption of FAS 162 to have an impact on the Company's consolidated financial position, results of operations or cash flows.

Future accounting pronouncements impacting the Company

In June 2009, the Financial Accounting Standards Board ("FASB") issued an amendment to ASC 820 Fair Value Measurements and Disclosures (formerly SFAS 166 "Accounting for Transfers of Financial Assets," which amends FAS 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishing of Liabilities") significantly changing how companies account for transfers of financial assets. The standard provides revised guidance in a number of areas including the elimination of qualifying special purpose entity concept, the introduction of new "participating interest" definition that must be met for transfers of portions of financial assets to be eligible for sale accounting, clarification and amendments to the derecognition criteria for a transfer to be accounted for as a sale when beneficial interests are received by the transferor, and extensive new disclosures. The provisions are to be applied to transfers of financial assets occurring in years beginning after November 15, 2009. The Company is currently evaluating the potential effect of adopting this standard on our financial statements and disclosures.

In June 2009, the FASB issued an amendment to ASC 810 Consolidation (formerly SFAS 167, "Amendments to FASB Interpretation No. 46 (R)," which amends the consolidation guidance for variable interest entities ("VIE") under FIN 46(R), "Consolidation of Variable Interest Entities"). The changes include the elimination of the exemption for qualifying special purpose entities and a new approach for determining who should consolidate a variable interest entity. In addition, changes to when it is necessary to reassess who should consolidate a variable interest entity have

also been made. In determining the primary beneficiary, or entity required to consolidate a VIE, quantitative analysis of who absorbs the majority of the VIEs expected losses or receives a majority of the VIEs expected residual returns or both is no longer required. Under the amendment, an entity is required to assess whether its variable interest or interests in an entity give it a controlling financial interest in the VIE, which involves more qualitative analysis. Additional disclosures will be required under the amendment to provide more transparent information regarding an entity's involvement with a VIE. The provisions are to be applied to transfers of financial assets occurring in years beginning after November 15, 2009. The Company is currently evaluating the potential effect of adopting this standard on our financial statements and disclosures.

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	69	February 1, 2002[4]
James E. McInnes[1]	72	February 1, 2002[4]
John D. McCleary[2][3]	69	February 1, 2002[4]
Joseph Montgomery[1][2][3]	82	February 1, 2002[4]
Morgan Poliquin	38	February 1, 2002[4]
Gerald G. Carlson[1][2][3]	64	February 1, 2002[4]
Barry W. Smee	64	July 6, 2006
Donald Lorimer[1]	76	November 17, 2003

(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 has been a director of Almaden Resources Corporation since September 1980, James E. McInnes since December 1985, Jack McCleary since June 1991 and Morgan Poliquin since June 1999.

Duane Poliquin and James E. McInnes were directors 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	69	February 1, 2002 [4]
Morgan Poliquin	President and Chief Executive Officer	38	March 1, 2007
Marc G. Blythe	Vice-President-Mining	40	September 5, 2006
Mark T. Brown	Chief Financial Officer	41	November 15, 2007
Dione Bitzer	Controller	49	February 1, 2002 [4]
	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 40 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 and was 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.

James E. McInnes is a retired lawyer and a former geologist with over 40 years experience in mineral exploration and mining law. He has held executive positions with several junior resource companies over his career. Mr. McInnes spend 25% of his time on the affairs of the Company. He also serves as a director and President of the following companies:

a.

Williams Creek Explorations Limited, a gold, copper and diamond exploration company listed on the TSX-V.

b.

Horseshoe Gold Mining Inc., a diamond and gold exploration company listed on the TSX-V.

93

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 the following companies:

a.

Abitibi Mining Corp., a company with lead and zinc deposits listed on the TSX-V.

b.

Sedex Mining Corp., a company with lead and zinc property holdings listed on the TSX-V.

c.

Klondike Gold Corp., a gold and base metals exploration company listed on the TSX-V.

d.

Amador Gold Corp., a gold and base metals exploration company listed on the TSX-V.

e.

Golden Chalice Resources Inc., a gold and base metals exploration company listed on the TSX-V.

f.

Kalahari Resources Inc., a gold and base metals exploration company listed on the TSX-V.

g.

Klondike Silver Corp., a company with an operating silver mine listed on the TSX-V.

h.

Chalice Diamond Corp, a diamond exploration company listed on the TSX-V.

i.

Zinccorp Resources Inc., a gold and base metals exploration company listed on the TSX-V.

j.

Infrastructure Materials Corp, an industrial materials company listed on the NASDAQ OTC-BB.

Morgan Poliquin, Ph.D., P.Eng., is a registered professional geological engineer with 16 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 of the affairs of the Company directing its exploration programs.

Gerald G. Carlson, Ph.D., P.Eng**,** has been involved in mineral exploration and junior exploration company management for over 30 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. Mr. Carlson became President, Chief Executive Officer and a director of La Teko Resources Ltd. in December 1996, a position he held until the acquisition of La Teko by Kinross Gold Corporation in February 1999. Since 1999, he has been President and CEO of Copper Ridge Explorations Inc. 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 and 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 a director and President of Copper Ridge Explorations Inc., a gold and copper exploration company listed on the TSX-V,, and a director of the following companies:

a.

Blue Sky Uranium Corp., a uranium exploration listed on the TSX-V.

b.

Golden Aria Corp., an oil and gas company listing on the OTC.

c.

Tarsis Resources Ltd., a mineral exploration company listed on the TSX-V.

d.

Taipan Resources Inc., a copper and gold exploration company listed on the TSX-V.

e.

Panthera Exploration Inc., a mineral exploration company listed on the TSX-V.

Barry W. Smee is a consulting geochemist based in British Colombia. 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 Amex.

Marc G. Blythe, P.Eng.,, MBA. has a Master of Business Administration from La Trobe University in Melbourne and a Bachelor of Mining Engineering degree from the Western Australian School of Mines. Mr. Blythe was Corporate Senior Mining Engineer for Placer Dome Inc. based in Vancouver from 2004 until 2006, where he completed internal and external mine evaluation, including advising on potential acquisitions and mining technology implementation. Prior to this, he was a Mine Superintendent and Senior Planning Engineer for Placer Dome based in Kalgoorlie, Australia and a Contract Mine Manager for Western Mining Corporation. Mr. Blythe spends 35% of his time on the affairs of the Company. He also serves as a director and President of Tarsis Resources Ltd.., a mineral exploration company listed on the TSX-V.

Donald M. Lorimer retired as a portfolio manager with Odlum Brown Ltd. in 2006. Mr. Lorimer qualified as a Chartered Accountant with Price Waterhouse & Co. and subsequently was a financial executive with Patino Mining Corporation and Little Long Lac Gold Mines Ltd. In 1971 he joined A.E. Ames & Co. and became a director and vice president responsible for corporate and government underwriting in British Columbia. He spends 10% of his time on the affairs of the Company.

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 20% of his time on the affairs of the Company. He also serves as a director and CFO of the following companies:

a.

Rare Element Resources Ltd., a gold and rare earth elements exploration company listed on the TSX-V.

b.

Portal Resources Ltd., a uranium, gold, silver and copper exploration company listed on the TSX-V.

Mr. Brown also serves as a director and CEO of the following companies:

a.

Fox Resources Ltd., a gold exploration company listed on the TSX-V.

b.

Everclear Capital Ltd., a Capital Pool Company under the rules of the TSX-V.

He also serves as a director of the following companies:

a.

Strategem Capital Inc., a merchant bank investing in uranium, gold, silver and copper mineral exploration listed on the TSX-V.

b.

Sutter Gold Mining Inc., a gold exploration company listed on the TSX-V.

c.

Animas Resources Ltd., a gold exploration company listed on the TSX-V.

Mr. Brown also serves as CFO of the following companies:

a.

Pitchstone Exloration Ltd., a uranium exploration company listed on the TSX-V.

b.

Rye Patch Gold Ltd., a gold exploration company listed on the TSX-V.

c.

Tarsis Resources Ltd., a mineral exploration company listed on the TSX-V.

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.

No director and/or executive officer has been the subject of any order, judgment, or decree of any governmental agency or administrator or of any court or competent jurisdiction, revoking or suspending for cause any license,

permit or other authority of such person or of any corporation of which he is a director and/or executive officer, to engage in the securities business or in the sale of a particular security or temporarily or permanently restraining or enjoining any such person or any corporation of which he is an officer or director from engaging in or continuing any conduct, practice, or employment in connection with the purchase or sale of securities, or convicting such person of any felony or misdemeanor involving a security or any aspect of the securities business or of theft or of any felony. Seine River Resources Inc. (now Trinity Plumas Capital Corp.), of which James E. McInnes was a director was subject to a cease-trade order as of July 24, 1996, subject to the submission of overdue documentation, which was revoked on August 8, 1996. Williams Creek Explorations Limited, of which James E. McInnes is a director and President and Morgan Poliquin was a director and Dione Bitzer was an officer, was subject to a cease-trade order as of July 22, 1999, subject to the submission of overdue documentation, which was revoked on August 5, 1999. Joseph Montgomery was subject to a cease trade order in the securities of Home Ventures Ltd. as of May 23, 1996 for failure to file insider reports, which was revoked on June 14, 1996.

There are no arrangements or understandings with any two or more directors or executive officers pursuant to which he 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 2008, the Compensation Committee conducted an Executive and Directors Compensation Review which resulted in the recommendations that remuneration of both the Chief Executive Officer and Chief Operating Officer be increased to $165,000 each annually and all Directors be compensated $5,000 yearly and the Chair of the Audit Committee to be compensated $3,000 yearly, effective January 1, 2009. Previously the Company had no formal plan for compensating its directors for their service in their capacity as directors. 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 2009 was $338,855.

96

Table No. 7

Summary Compensation Table

		Annual Compensation			Long-Term Compensation			
Name and Principle Position	Fiscal Year	Salary	Bonus	Other Annual Compensation	Awards Restricted Stock Awards	Options/ SARS Granted (#)	LTIP Payouts	All Other Compensation
Duane Poliquin	2009	Nil	Nil	Nil	Nil	Nil	Nil	$189,200[1]
Chairman of the Board & Director	2008	Nil	Nil	Nil	Nil	100,000	Nil	$171,375[1]
	2007	Nil	Nil	Nil	Nil	Nil	Nil	$181,713[1]
James E. McInnes	2009	Nil	Nil	Nil	Nil	Nil	Nil	$5,000[2]
Director	2008	Nil	Nil	Nil	Nil	50,000	Nil	Nil
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jack McCleary	2009	Nil	Nil	Nil	Nil	Nil	Nil	$5,000[2]
Director	2008	Nil	Nil	Nil	Nil	100,000	Nil	Nil
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joseph Montgomery	2009	Nil	Nil	Nil	Nil	Nil	Nil	$5,000[2]
Director	2008	Nil	Nil	Nil	Nil	50,000	Nil	Nil
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Morgan Poliquin	2009	$165,000	$8,000	Nil	Nil	150,000	Nil	Nil
President, Director &	2008	$140,000	$6,000	Nil	Nil	100,000	Nil	Nil
Chief Executive Officer	2007	$140,000	$5,000	Nil	Nil	Nil	Nil	Nil
Gerald G. Carlson	2009	Nil	Nil	Nil	Nil	Nil	Nil	$5,000[2]
Director	2008	Nil	Nil	Nil	Nil	50,000	Nil	$5,000[3]
	2007	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Barry W. Smee	2009	Nil	Nil	Nil	Nil	Nil	Nil	$8,780[2][4]
Director	2008	Nil	Nil	Nil	Nil	100,000	Nil	Nil
	2007	Nil	Nil	Nil	Nil	Nil	Nil	$6,490[4]
Donald M. Lorimer	2009	Nil	Nil	Nil	Nil	50,000	Nil	$8,000[2][5]
Director	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	2007	Nil	Nil	Nil	Nil	150,000	Nil	Nil
Marc Blythe	2009	Nil	Nil	Nil	Nil	Nil	Nil	$52,875[6]
Vice-President-Mining	2008	Nil	Nil	Nil	Nil	Nil	Nil	$52,375
	2007	Nil	Nil	Nil	Nil	50,000	Nil	$115,892
Mark T. Brown	2009	Nil	Nil	Nil	Nil	Nil	Nil	$60,000[7]
Chief Financial Officer	2008	Nil	Nil	Nil	Nil	25,000	Nil	$61,000[7]
	2007	Nil	Nil	Nil	Nil	100,000	Nil	$11,000[7]
Dione Bitzer	2009	$70,920	$4,000	Nil	Nil	Nil	Nil	Nil
Controller & Secretary	2008	$73,245	$3,000	Nil	Nil	25,000	Nil	Nil
	2007	$71,691	$2,000	Nil	Nil	Nil	Nil	Nil

[1] For geological services provided to the Company and general and administrative services provided by Hawk Mountain Resources Ltd., a company owned by Duane Poliquin and his wife.

[2] Director's fees.

[3] For consulting services provided by KGE Management, a company owned by Gerald G. Carlson and his wife.

[4] For consulting services provided by Smee & Associates Consulting Ltd., a company owned by Barry Smee and his wife.

[5] Audit Chairman fee.

[6] For technical services provided to the Company.

[7] For financial and administrative services provided by Pacific Opportunity Capital Ltd., a company controlled by Mark T. Brown and his family.

Remuneration for Termination

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

The Executive Compensation Contract dated April 12, 2007 between the Company and Duane Poliquin ("Executive") and Hawk Mountain Resources Ltd. ("Management Company") will terminate or may be terminated for any one of the following reasons:

a)

voluntary, upon at least three months prior written notice of termination by the Management Company to the Company; or

b)

by the Company for Cause; or

c)

without Cause, as hereinafter defined in Section 9, upon at least three months prior written notice of termination by the Company to the Management Company; or

d)

upon the death or disability of the Executive, as hereinafter defined in Section 10; 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 providing the services of the Executive under this Agreement or if the employment of the Management Company is terminated by the Company for Cause, then all compensation and benefits as heretofore provided shall terminate immediately upon the effective date of termination and no special severance compensation will be paid.

Cause to terminate the Management Company's employment 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 this Agreement, after demand for substantial performance is delivered by the Company 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 this 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;

c)

any other willful violation by the Executive or the Management Company of the provisions of this

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 employment under this Agreement for any reason except for Cause (as defined in paragraph 8) 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 provided to the Executive 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 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 Management Company's employment 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 Executive 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 the Executive 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

(a)

For purposes of this 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 Date), individuals who at the beginning of such period constituted on the Board of Effective 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.

(b)

Notwithstanding any other provisions in this 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 Executive other than for "Good Reason", as defined below) the Management Company shall be entitled to and will receive no later than the fifteenth (15^{th}) day following the date of termination a lump sum severance payment equal to three (3) times the Management Company's then current Base Fee. In addition, all benefits then applicable to the Executive shall be continued for a period of eighteen (18) months after the date of termination.

(c)

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

(i)

the assignment of 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 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 this 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.

(d)

In the event the Executive is entitled to a severance payment under this Agreement, then in

addition to such severance 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 release 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.

The Executive Employment Contract dated April 12, 2007 between the Company and Morgan Poliquin 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)

by the Company for Cause; or

c)

without Cause, as hereinafter defined in Section 9, upon at least three (3) months prior written notice of termination by the Company to the Executive; or

d)

upon the death or disability of the Executive, as hereinafter defined in Section 10; or

e)

upon a change of control.

Termination by the Executive Voluntarily or by the Company for Cause

If the Executive shall voluntarily terminate employment under this Agreement or if the employment of the Executive is terminated by the Company for Cause, then all compensation and benefits as heretofore 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 this Agreement, after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes the Executive has not substantially performed the Executive's duties under this Agreement; or

(b)

the willful engagement by the Executive in misconduct which is materially injurious to the Company, monetarily or otherwise;

(c)

any other willful violation by the Executive of the provisions of this 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 this Agreement for any reason except for Cause (as defined in paragraph 8) 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. All the benefits provided to the Executive 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 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 Executive 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 the Executive 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

(a)

For purposes of this 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 on 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%) of more of the outstanding common shares of the Company.

(b)

Notwithstanding any other provisions in this 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 (15^{th}) 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.

(c)

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

(i)

assignment of 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 this 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.

(d)

In the event the Executive is entitled to a severance payment under this 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 release 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.

The Financial, Administrative & Executive Services Agreement dated November 15, 2007 between the Company and Pacific Opportunity Capital Ltd. ("Pacific") and Mark T. Brown ("Executive") will terminate or may be terminated for any one of the following reasons:

- voluntary, upon at least three (3) months prior written notice of termination by the Executive to the Company; or·
- by the Company for Cause

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

If Pacific or the Executive shall voluntarily terminate employment under this Agreement or if the employment of the Executive is terminated by the Company for Cause, then all compensation and benefits as heretofore 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 this Agreement, after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes the Executive has not substantially performed the Executive's duties under this Agreement; or

b)

the willful engagement by the Executive in misconduct which is materially injurious to the Company, monetarily or otherwise;

c)

any other willful violation by the Executive of the provisions of this Agreement ;or

d)

the Executive is convicted of a criminal offence involving fraud or dishonesty.

Termination by Death or Disability

If the Executive dies or becomes disabled before the Executive's employment is otherwise terminated, the Company shall pay Pacific an amount of compensation equal to three (3) months of the Executives' then current base salary.

The Executive Employment Contract dated January 1, 2008 between the Company and Dione Bitzer will terminate or may be terminated for any one of the following reasons:

- voluntary, upon at least three (3) months prior written notice of termination by the Executive to the Company; or
- by the Company for Cause; or
- without Cause, as hereinafter defined in Section 9, upon at least three (3) months prior written notice of termination by the Company to the Executive; or
- upon the death or disability of the Executive, as hereinafter defined in Section 10; or
- upon retirement by the Executive.

Termination by the Executive Voluntarily or by the Company for Cause

If the Executive shall voluntarily terminate employment under this Agreement or if the employment of the Executive is terminated by the Company for Cause, then all compensation and benefits as heretofore 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 this Agreement, after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes the Executive has not substantially performed the Executive's duties under this Agreement; or

b)

the willful engagement by the Executive in misconduct which is materially injurious to the Company, monetarily or otherwise;

c)

any other willful violation by the Executive of the provisions of this 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 this Agreement for any reason except for Cause (as defined in paragraph 8) 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 prior year's Base Salary. All the benefits provided to the Executive 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 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 prior year's Base Salary and all the Executive 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 the Executive 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

(a)

For purposes of this 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 on 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%) of more of the outstanding common shares of the Company.

(b)

Notwithstanding any other provisions in this 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 (15^{th}) day following the date of termination a lump sum severance payment equal to three (3) times the Executive's prior year's 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.

(c)

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

a.

the assignment of 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;

b.

a reduction by the Corporation 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;

c.

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);

d.

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

e.

the failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this 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.

(d)

In the event the Executive is entitled to a severance payment under this 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 release 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 regulation.

Incentive stock options previously granted by the Company and its predecessor, which, by the terms of the amalgamation, become options granted by the Company, are not options granted under the Company's formal stock option plan.

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.

The exercise price of all incentive stock options granted under the Plan are 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 ¼ of such options being exercisable in any three month period. All options granted during Fiscal 2009 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 22, 2010 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,	240,000	$1.79	06/17/2010
Chairman of the Board & Director	450,000	2.50	07/06/2011
	100,000	0.68	12/29/2013
	220,000	1.14	01/04/2015
James E. McInnes,	50,000	2.50	07/06/2011
Director	50,000	0.68	12/29/2013
	50,000	1.14	01/04/2015
Jack McCleary	50,000	2.50	07/06/2011
Director	100,000	0.68	12/29/2013
Morgan Poliquin	600,000	2.50	07/06/2011
President, Director &	500,000	2.32	09/10/2012
Chief Executive Officer	100,000	0.68	12/29/2013
	150,000	0.81	11/25/2014
	350,000	1.14	01/04/2015
Gerald G. Carlson	75,000	2.50	07/06/2011
Director	50,000	0.68	12/29/2013
	50,000	1.14	01/04/2015

Joseph Montgomery	50,000	2.50	07/06/2011
Director	50,000	0.68	12/29/2013
	50,000	1.14	01/04/2015
Barry Smee	150,000	2.50	07/06/2011
Director	100,000	0.68	12/29/2013
Donald M. Lorimer	150,000	2.50	07/06/2011
Director	50,000	1.14	01/04/2015
Marc Blythe	50,000	2.52	11/15/2012
Vice-President, Mining			
Mark T. Brown	100,000	2.68	11/15/2012
Chief Financial Officer	25,000	0.68	12/29/2013
	75,000	1.14	01/04/2015
Dione Bitzer	100,000	2.50	07/06/2011
Controller & Secretary	25,000	0.68	12/29/2013
Total Directors/Officers (11 persons)	4,160,000		
Total Employees/Consultants (5 persons)	600,000		
Total Directors/Officers/Employees/Consultants	**4,760,000**		

No funds were set aside or accrued by the Company during Fiscal 2009 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 a Privacy Policy (the "Codes"). The Codes may be viewed on the Company's website at www.almadenminerals.com. The Codes may also be viewed as filed on EDGAR and SEDAR 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 and COO 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 is establishing effective means of control and co-ordination of the operations and activities of the Company and identifying, in conjunction with the CEO and COO, the key risks with respect to the Company and its business and reviewing with the CEO and COO 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, COO 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, COO and CFO the key risks with respect to the Company and its business and reviewing with the CEO, COO 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, COO 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, 2009 there were six 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	6
James E. McInnes	5
Jack McCleary	5
Joseph Montgomery	5
Morgan Poliquin	5
Gerald G. Carlson	4
Barry W. Smee	4

Donald M. Lorimer 6

The CEO 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 2009, four 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 Amex. The proposed Board is composed of seven members. The Board believes that 5 directors would be considered independent-John McCleary, Joseph Montgomery, Gerald Carlson, Barry Smee and Donald Lorimer. The basis for determination of independence is under Canadian securities instrument NI 52-110 and American Stock Exchange Company Guide Rules. Accordingly, the Board is constituted with a majority of individuals who qualify as independent directors. 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, on the advice of the Nomination and Corporate Governance Committee, 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 available on the Company's website at www.almadenminerals.com.

Audit Committee

The members of the Audit Committee are Messrs. Donald Lorimer, Joseph Montgomery, Gerald Carlson and James E. McInnes. The Audit Committee has met four (4) times during Fiscal 2009. 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 John McCleary, Joseph Montgomery and Gerald Carlson. The Nominating and Corporate Governance Committee has met three (3) times during Fiscal 2009 with John McCleary and Joseph Montgomery attending. 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 John McCleary, Joseph Montgomery and Gerald Carlson. The Compensation Committee has met three (3) times during Fiscal 2009 with John McCleary, Joseph Montgomery and Gerald Carlson attending. 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

The Company currently operates with seven persons in Canada, of which two are administrative personnel and five are exploration personnel, some of which are retained on a contractual basis. There are no full time employees in the United States or Mexico. None of the Company's employees are covered by a collective bargaining agreement. There are no current plans to add any additional personnel, other than independent contractors retained to assist in the exploration of the Company's mineral properties.

Share Ownership

Table No. 10 lists, as of March 22, 2010, 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	3,086,037(1)	6.12%
Common	James E. McInnes	714,580(2)	1.44%
Common	Jack McCleary	477,550(3)	0.96%
Common	Morgan Poliquin	2,468,197(4)	4.83%
Common	Gerald G. Carlson	183,000(5)	0.36%
Common	Joseph Montgomery	160,000(6)	0.32%
Common	Barry Smee	260,000(7)	0.52%
Common	Donald Lorimer	230,000(8)	0.46%
Common	Marc Blythe	62,000(9)	0.12%
Common	Mark T. Brown	200,000(10)	0.40%
Common	Dione Bitzer	142,500(11)	0.28%
Common	**Total Directors/Officers**	**7,983,864**	**15.81%**

(1) Of these shares 1,010,000 represent currently exercisable stock options and 69,300 of these shares are held indirectly by Hawk Mountain Resources Ltd., a company owned by Mr. Poliquin and his wife.

(2) Of these shares 150,000 represent currently exercisable stock options. 239,470 of these shares are held indirectly through Laredo Investments Ltd., private company controlled by Mr. McInnes

(3) Of these shares 150,000 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 1,700,000 represent currently exercisable stock options

(5) Of these shares 175,000 represent currently exercisable stock options

(6) Of these share 150,000 represent currently exercisable stock options

(7) Of these share 250,000 represent currently exercisable stock options

(8) Of these share 200,000 represent currently exercisable stock options

(9) Of these share 50,000 represent currently exercisable stock options

(10) Of these share 200,000 represent currently exercisable stock options

(11) Of these share 125,000 represent currently exercisable stock options and 2,500 represent currently exercisable warrants.

*Based on 49,380,145 shares outstanding as of March 22, 2010 and stock options and share purchase warrants held by each beneficial owner.

Item 7. Major Shareholders and Related Party Transactions

The Company is a publicly owned Canadian corporation, the shares of which are owned by residents of the United States, 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 corporation. Table No. 11 lists, as of March 22, 2010, 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	3,086,037[(1)]	6.12%

(1) Of these shares 1,010,000 represent currently exercisable stock options. 69,300 of these shares are held indirectly by Hawk Mountain Resources Ltd., a company owned by Mr. Poliquin and his wife.

*Based on 49,380,145 shares outstanding as of March 22, 2010 and stock options and share purchase warrants held by each beneficial owner.

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 the private company Hawk Mountain Resources Ltd.

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

(c) Mark T. Brown operates through his private company Pacific Opportunity Capital Ltd.

The costs of such services for Fiscal 2009 ended December 31, 2009 were $252,980, Fiscal 2008 ended December 31, 2008 were $237,375 and Fiscal 2007 ended December 31, 2007 were $199,203.

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 *B.C. Business Corporations Act* (*British Columbia).*

The Company and Williams Creek Explorations Limited are shareholders in ATW Resources Ltd. and hold an interest in the ATW prospect . As confirmed by a declaration of trust dated January 1, 2001, amended January 21, 2004, ATW Resources Ltd. acts as trustee holding the Company's beneficial 64.8% interest in the project. 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. In addition, the Company retained a net smelter royalty equal to 2% of all metals discovered on the properties. 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 with a commitment by the third party to expend a minimum of $500,000 on the property. Also during Fiscal 2008, the Company sold its interest in the Prospector Mountain prospect in the Yukon Territory for 100,000 shares of Tarsis and a cash payment of $30,000. Almaden retains a 2% net smelter royalty over any mineral produced from the property, however, half of the net smelter royalty may be purchased at any time after production commences for fair value as determined by an independent valuator. Tarsis also agrees to issue 500,000 common shares of Tarsis upon receipt of a positive bankable feasibility study for this prospect.

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 that 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 original owner of the El Encuentro, Mexico prospect has sued the Company's wholly owned subsidiary, Almaden de Mexico, S.A. de C.V., to have the property returned on grounds that he is not receiving a royalty. He was paid U.S.$100,000 by Eldorado Gold Corporation which was payment in full for the property and retains a net smelter return royalty. The agreement with the original owner does not provide for a royalty if there is no mine in operation. The Company considers the lawsuit trivial and is defending this action.

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 related to the deductibility of certain expenditures between February 1, 1995 and January 31, 1997. In order to reduce the exposure to interest charges, the Company paid and expensed $281,871 which was refunded with interest early in Fiscal 2010 upon management successfully defending its position.

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

Other than the above, the Company knows of no active or pending proceedings against anyone that might materially adversely affect an interest of the Company.

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.

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 Amex (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 Amex.

Table No. 12 lists the high and low prices for the shares of Almaden Minerals Ltd. common stock for the years since listing on the American Stock Exchange, now the NYSE Amex. Table No. 13 lists the high and low prices for shares of Almaden Minerals Ltd. common stock on TSX.

Table No. 12

Almaden Minerals Ltd.

Stock Trading Activity

NYSE Amex

(expressed in U.S.$)

Year Ended	High	Low
12/31/2009	$1.34	$0.55
12/31/2008	2.91	0.39

12/31/2007	3.28	2.00
12/31/2006	3.30	1.91

Table No. 13

Almaden Minerals Ltd.

Stock Trading Activity

The Toronto Stock Exchange

(expressed in Canadian$)

Year Ended	High	Low
12/31/2009	$1.37	$0.64
12/31/2008	2.90	0.44
12/31/2007	3.10	2.17
12/31/2006	3.70	2.33
12/31/2005	2.48	1.50
12/31/2004	2.75	1.45

Table No. 14 lists the quarterly high and low prices for shares of Almaden Minerals Ltd. common stock on NYSE Amex 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 Amex

(expressed in U.S.$)

Quarter Ended	High	Low
12/31/2009	$1.34	$0.67
09/30/2009	0.80	0.55
06/30/2009	0.94	0.55
03/30/2009	0.92	0.58
12/31/2008	1.23	0.39
09/30/2008	2.26	0.89
06/30/2008	2.45	1.80
03/30/2008	2.91	2.30

Table No. 15

Almaden Minerals Ltd.

Stock Trading Activity

The Toronto Stock Exchange

(expressed in Canadian$)

Quarter Ended	High	Low
12/31/2009	$1.37	$0.72

09/30/2009	0.86	0.64
06/30/2009	1.00	0.69
03/31/2009	1.17	0.75
12/31/2008	1.24	0.44
09/30/2008	2.26	0.95
06/30/2008	2.50	1.81
03/31/2008	2.90	2.30

Table No. 16 lists the high and low prices for shares of Almaden Minerals Ltd. common stock on NYSE Amex 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 Amex

(expressed in U.S.$)

Month Ended	**High**	**Low**
02/28/2010	$1.02	$0.85
01/31/2010	1.39	0.85
12/31/2009	1.34	0.76
11/30/2009	0.79	0.67
10/31/2009	0.87	0.67
09/30/2009	0.80	0.61

118

Table No. 17

Almaden Minerals Ltd.

Stock Trading Activity

The Toronto Stock Exchange

(expressed in Canadian$)

Month Ended	High	Low
02/28/2010	$1.09	$0.90
01/31/2010	1.42	0.91
12/31/2009	1.37	0.77
11/30/2009	0.83	0.70
10/31/2009	0.85	0.72
09/30/2009	0.86	0.68

The closing price of the Company's common stock was $0.94 (U.S.$) on the NYSE Amex and $1.00 (Canadian$) on TSX on February 26, 2010.

In recent years, securities markets in Canada 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 March 11, 2010, the shareholders' list for the Company's common shares showed 218 registered shareholders and 49,023,145 shares outstanding. 164 of these registered shareholders are U.S. residents, owning 11,052,232 shares representing 22.0% of the issued and outstanding shares of common stock. 44 of these registered shareholders are Canadian residents, owning 35,699,013 shares representing 73% of the issued and outstanding shares of common stock. 10 of these registered shareholders are of other countries, owning 2,271,900 shares representing 5% of the issued and outstanding shares of common stock.

Table No. 18 lists changes, if any, in issued shares to March 22, 2010:

Table No. 18

Shares Issued to March 22, 2010

	Number
Balance, December 31, 2009	48,973,145
For cash on exercise of stock option	50,000
For cash pursuant to private placement	357,000
Balance, March 22, 2010	49,380,145

Item 10. Additional Information

Share purchase warrants

At March 22, 2010, there were non-transferable share purchase warrants outstanding to acquire a total of 2,172,158 shares of the Company's common stock. These share purchase warrants were issued pursuant to private placement financings. If the shares purchase warrants are exercised during the first four months following their issuance, the shares issued will be subject to a hold period imposed by the Toronto Stock Exchange and the Ontario Securities Commission expiring at the end of the four month period.

Table No. 19 lists, as of March 22, 2010, share purchase warrants outstanding, the exercise price, and the expiration date of the warrants.

Table No. 19

Outstanding Share Purchase Warrants

Amount	Exercise Price CDN$	Expiry Date
113,158	1.15	03/31/2010
1,648,000	1.40	12/17/2011
236,000	0.85	12/17/2011
175,000	1.25	03/16/2011
2,172,158		

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. Flow-through shares differ from other common shares in one aspect only, 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 development in Canada. The tax benefits (depreciation, amortization, etc.) connected with the expenditures flow through to the shareholder rather than corporation. These tax benefits are available only to shareholders residing in Canada. Shareholders residing in the United States 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, Briti