ALMADEN MINERALS LTD
Form 20-F
March 29, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

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

OR

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

For the fiscal year ended December 31, 2006

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
None	**N/A**

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

Common Stock without par value

(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.

43,624,255

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 reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

( ) Yes (X) No

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

(X) Yes ( ) No

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

Large accelerated filer ( )

Accelerated filer (X)

Non-accelerated filer ( )

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

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Glossary of Geologic and Mining Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Brecciated: Rock broken up by geological forces.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Degradation: The ongoing process of erosion in a stream.

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

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

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

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

Dip: Geological measurement of the angle of maximum slope of planar elements in rocks. Can be applied to

beddings, jointing, fault planes, etc.

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

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

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

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

Dyke: A tabular, discordant, intrusive igneous body.

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

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

Epithermal: Epithermal deposits are a class of ore deposits that form generally less than 1 km from surface. These deposits, which can host economic quantities of gold, silver, copper, lead and zinc are formed as a result of the

precipitation of ore minerals from up-welling hydrothermal fluids. There are several classes of epithermal deposits that are defined on the basis of fluid chemistry and resulting alteration and ore mineralogy. Fluid chemistry is largely controlled by the proximity to igneous intrusive rocks and as a result igneous fluid content.

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

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

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

Feasibility study: Detailed study to determine if a property can be mined at a profit and the best way to mine it.

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 term used to describe ferromagnesian minerals. Rocks composed mainly of ferromagnesian minerals are correctly termed melanocratic.

Mafic: A general term used to describe ferromagnesian minerals.

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.

Metamorphic: Pertaining 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: The profits after deduction of expenses. Often 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. 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.

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.

Pyroclastic Rock: Fragmental rock material resulting from explosive volcanic eruptions. Such material is literally deposited from the air and includes volcanic bombs, blocks, tuff, cinders, ash, and pumice.

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.

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

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 2006, Fiscal 2005 and Fiscal 2004 ended December 31st was derived from the consolidated financial statements of the Company included elsewhere in this Annual Report. The selected financial data set forth for Fiscal 2003 and Fiscal 2002 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 the Annual Report.

Reference is made to Note 16 of the audited consolidated financial statements of the Company for Fiscal 2006 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. Reference is further made to Note 16(c) as to differences between Canadian GAAP and U.S. GAAP as to accounting for flow-through shares.

Table No. 1

Selected Financial Data

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

	Year Ended 12/31/2006	Year Ended 12/31/2005	Year Ended 12/31/2004	Year Ended 12/31/2003	Year Ended 12/31/2002
Canadian GAAP					
Revenues	$837	$246	$139	$84	$102
Net loss	(4,269)	(1,095)	(3,066)	(1,326)	(3,198)
Loss per common share	(0.10)	(0.03)	(0.11)	(0.06)	(0.16)
Weighted average shares (000)	41,351	32,079	30,232	23,379	19,524
Working capital	20,242	9,374	4,660	5,101	1,522
Mineral properties	6,405	5,104	4,440	4,198	3,338
Net assets	27,971	15,801	9,756	9,854	5,181
Total assets	28,720	16,367	10,215	10,342	5,636
Capital stock	46,656	31,639	25,259	21,477	17,389
Dividends declared per share	0	0	0	0	0
U.S. GAAP					
Revenues	837	246	139	84	102
Net loss for period[(1)(2)]	(6,032)	(1,852)	(4,118)	(2,001)	(2,410)
Loss per common share[(2)]	(0.14)	(0.06)	(0.14)	(0.09)	(0.13)
Weighted average shares (000)	41,351	32,079	30,232	23,379	19,524
Working capital	20,622	9,984	5,200	6,000	1,703

Mineral properties	2,023	2,486	2,368	2,840	2,654
Net assets	23,969	13,792	8,224	9,395	4,728
Total assets	24,718	14,358	8,683	9,883	5,133
Capital stock	46,656	31,639	25,259	21,477	17,389
Dividends declared per share	0	0	0	0	0

(1)Cumulative U.S. GAAP deficit since inception of the exploration stage to 12/31/2006 has been $26,778,064.

(2)U.S. GAAP net loss and loss per common share for the years ended 12/31/05 and 12/31/04 have been restated. Reference is made to Note 16(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

U.S. Dollar/Canadian Dollar Exchange Rates for Five Most Recent Financial Years

	Average	**High**	**Low**	**Close**
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

Fiscal Year Ended 12/31/2004	1.30	1.40	1.18	1.20
Fiscal Year Ended 12/31/2003	1.39	1.58	1.29	1.29
Fiscal Year Ended 12/31/2002	1.57	1.61	1.51	1.58

Table No. 3

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

	September	**October**	**November**	**December**	**January**	**February**
High	$1.13	$1.14	$1.15	$1.17	$1.19	$1.18
Low	1.11	1.12	1.13	1.14	1.16	1.15

The exchange rate was 1.16 on March 23, 2007.

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 and entering into joint venture arrangements, and in Fairfield s case, the sale of its inventory of gold. The Company s ability to continue operations is dependent on the ability of the Company to obtain additional financing.

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 $4,268,775 in Fiscal 2006, $1,095,215 in Fiscal 2005 and $3,065,803 in Fiscal 2004.

The cumulative net loss of the Company as at December 31, 2006 was $22,766,634.

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. 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 or 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 of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. 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. The Company s exploration activities and its potential mining and processing operations are subject to various laws governing land use, the protection of the environment, prospecting, development, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, mine safety and other matters. 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 $76,500 on deposit as reclamation bonds for exploration work and site disturbance on the Elk and 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 it s 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. The MOR prospect is on category B lands which means the local native group has surface rights to the area of the claims and their permission is required to perform work on the claims.

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 8, 2007 there were share purchase options outstanding allowing the holders of these options to purchase 4,356,691 shares of common stock and share purchase warrants outstanding allowing the holders to purchase 370,541 shares of common stock. Directors and officers of the Company hold 3,781,691 of these share purchase options. An additional 575,000 share purchase options are held by employees and consultants of the Company. Directors and officers hold 29,500 of the share purchase warrants. An additional 10,000 share purchase warrants are held by employees of the Company. Given the fact that as of March 8, 2007 there were 44,066,047 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.

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 subsidiary 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. Duane Poliquin also serves as a director of Motapa Diamonds Inc. James E. McInnes also serves as a director and President of Williams Creek Explorations Limited and Horseshoe Gold Mining Inc. John D. (Jack) McCleary also serves as a director of Santoy Resources Ltd. Joseph Montgomery also serves as a director of Abitibi Mining Corp., Sedex Mining Corp., Anglo Minerals Ltd., Comcorp Ventures Inc., Klondike Gold Corp., Amador Gold Corp. and Golden Chalice Resources Inc. Gerald G. Carlson also serves as a director, President and CEO of Copper Ridge Explorations Inc., director of Nevada Star Resource Corp., Chairman of IMA Exploration Inc., director of Dentonia Resources Ltd., and director of Janina Resoures Limited. Barry W. Smee also serves as a director of Platinum Group Metals 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. 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 presently 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.

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 has taken out an accidental death insurance policy on Duane Poliquin and is applying for the same for Morgan Poliquin. 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 1185 West Georgia Street, Suite 1550, Vancouver, British Columbia, Canada, V6E 4E6.

The contact persons are Duane Poliquin, President and Morgan Poliquin, Director. 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 (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, 2006, the Company owned a 50% share interest in ATW Resources Ltd. ("ATW"), a company incorporated in the Northwest Territories, Canada on January 6, 1993.

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 five principal property interests: (1) the Elk gold, silver property which includes the Siwash Gold deposit in Canada (100% interest), (2) the Skoonka Creek gold prospect in Canada (49% interest), (3) the Caballo Blanco gold, silver, copper prospect in Mexico (100% interest subject to a sliding scale NSR), (4) the Tuligtic copper, gold prospect in Mexico (100% interest subject to a 60% option agreement earn in right by Pinnacle Mines Ltd.), and (5) the Viky silver, lead, zinc prospect in Mexico (100% interest subject to a 60% option agreement earn in right by Apex Silver Mines Limited).

The El Pulpo copper, gold prospect in Mexico was sold to Ross River Minerals Inc. during Fiscal 2005.

Company s Secondary Properties

The Company s secondary property interests include the Ram prospect in Canada (100% interest subject to a 70% earn in right by Ross River Minerals Inc.), the ATW diamond prospect in Canada (50% share interest = net 37.5% property interest), the Rock River Coal project in Canada (50% interest), the MOR and Tim prospects in Canada (100% interests), the Nicoamen River prospect in Canada (100% interest subject to a 60% option agreement earn in right by Tanqueray Resources Ltd.), the Merit and Brookmere prospects in Canada (100% interest subject to a 60% option agreement earn in right in either or both of the prospects by Williams Creek Explorations Limited), the Logan property in Canada (40% net carried interest to production), the Fuego prospect in Mexico (100% interest subject to a 60% option agreement earn in right by Horseshoe Gold Mining Inc.), the San Carlos prospect in Mexico (consists of the San Carlos concession (100% interest) and the San Jose claim (100% interest), the Yago prospect in Mexico (100% interest subject to a 60% option agreement earn in right by Consolidated Spire Ventures Ltd.), the Bufa prospect in Mexico (100% interest subject to a 60% option agreement earn in right by Lincoln Gold Corp.), the Campanario prospect in Mexico (100% interest subject to a 60% earn in right by Consolidated Spire Ventures Ltd.) and the Tropico prospect in Mexico (40% interest).

The PV prospect in Canada was sold to Consolidated Spire Ventures Ltd. during Fiscal 2006.

The Company has several other property holdings in Canada, United States and Mexico that are not considered either principal or secondary properties. The category of properties may change with exploration results.

The Company entered into a joint venture agreement in Fiscal 2002 with BHP Billiton World Exploration Inc. to undertake exploration in eastern Mexico. During Fiscal 2006, the agreement was terminated.

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. In addition to the exploration joint venture, JOGMEC may earn a 51% or 60% interest in the Santa Isabela property.

Business Overview

PRINCIPLE PROPERTY INTERESTS IN CANADA

MAP 1 - CANADA

The Elk Property Canada

MAP 2 - ELK

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 2006, the Company incurred $1,716 in staking and $1,376,941 in exploration costs, primarily on a diamond drill program on the property ($699,142), professional/technical services ($157,558) and geology and engineering ($168,892). As at December 31, 2006, the Company had deferred costs of $4,737,735 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 and Recent Work

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 10265 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.

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. Two 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.

Recent Drilling Results

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 is Wojtek Jakubowski, P. Geo., an employee of Almaden. 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 Almaden s ongoing quality control program at the Elk Deposit. Check assays were carried out by ALS Chemex Labs in Vancouver.

Almaden s management is reviewing the results of the 2006 drilling and conducting an extensive review of the deposit s geological interpretation. Scoping study level work is being undertaken to determine possible mine planning parameters and economics to be used in pre-feasibility studies.

Planned Work Program Fiscal 2007, Ending December 31, 2007

The Company s program for Fiscal 2007 includes completing the deposit model, updating the resource calculation and undertaking a block model and scoping study at a budgeted cost of $50,000, following which further budgeting may be required.

The Skoonka Creek Prospect Canada

MAP 3 SKOONKA CREEK

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 initial staking of 43 claim-units (1,075 hectares) was undertaken in late 2003. During 2004, further staking expanded the prospect to 140 claim-units (3,500 hectares). During 2005, a closely adjacent SAMS (Sam South) block comprising 300 BCGS grid cells (~6,190 hectares) were acquired via the new BC Minerals Titles Online system and all of the former legacy (SAM 1-16) claims were converted to new BCGS electronic grid cell tenures resulting in a total land area of 10,190 hectares. All of the claims are 100% owned by the Company.

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. Strongbow could have increased its interest to 60% by spending an additional $2,000,000 and issuing a further 400,000 to the Company over the ensuing two years. During Fiscal 2006, Strongbow completed earn-in requirements. The Secondary Option to earn an additional 9% was terminated. A formal joint venture agreement will be negotiated.

Expenditures to Date

During Fiscal 2006, the Company incurred $226,793 in exploration costs, primarily on drilling ($201,367). The value of securities received pursuant to the option agreement with Strongbow was $237,000. As at December 31, 2006, the Company had deferred costs of $22,798 on this prospect.

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.

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 **t**wo 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^{o}C to 210^{o}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. Channel sampling of the JJ exposure in 2004 yielded gold assays of 12.79 to 53.38 g/t from vein material and 4.49 to 9.15 g/t from the selvages. Corresponding sample silver assays range from 13 to 36 g/t (in vein) and 4 to 7 g/t (in the selvages).

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.

During 2006, Strongbow completed a 4,546 metre diamond drill program, targeting the JJ prospect and the Discovery showing. 4,056 metres in 18 holes were completed on the JJ prospect, testing its depth to 250 metres and strike length to 700 metres. 490 metres in three holes were drilled on the Discovery showing, located 3,500 metres north of the JJ prospect. Each hole intersected alteration and quartz breccia zones displaying epithermal vein textures typical of low sulphidation epithermal systems.

Recent Drilling Results

Strongbow reported the results from the autumn drill program in a news release dated January 15, 2007. The six-hole, 2,000-metre program tested the JJ vein system to depth. A 20-centimetre-to-25-centimetre 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 setup and azimuth, returned assays of 16.3 g/t gold (Au) over 0.23 m and 17.0 g/t Au over 0.5 m, respectively at depths of 120 m and 130 m downdip from surface. The vein was encountered 175 m along strike to the west of highlight drill hole SC-008 that had previously returned 20.2 g/t Au over 12.8 m. This drilling program confirmed that the vein remains open downdip and along strike and indicates that well-developed epithermal veins are located at depth within the JJ area.

Planned Work Program Fiscal 2007, Ending December 31, 2007

The Company has no planned 2007 exploration program with all work being conducted by Strongbow which is the operator of the project. Strongbow has advised that it plans to carry out further ground geophysics and drilling at the JJ prospect and Zebra showing in 2007 and a work plan and budget is currently being developed.

PRINCIPAL PROPERTY INTERESTS IN MEXICO

MAP 4 - MEXICO

The Caballo Blanco Prospect - Mexico

MAP 5 - CABALLO BLANCO

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 must 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 February 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. The Company now holds a 100% interest in the property subject to the sliding scale NSR.

Expenditures to Date

During Fiscal 2006, the Company incurred $80,040 in acquisition and $21,285 in exploration costs, primarily on the payment of Mexican mining taxes ($10,501) and professional/technical services ($9,013). The Company recovered $91,762 of acquisition and exploration costs from Comaplex. As at December 31, 2006, the Company had deferred costs of $552,518 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.

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^{o}, 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

Planned Work Program Fiscal 2007, Ending December 31, 2007

The Company s program for Fiscal 2007 includes an induced polarization geophysical survey and a geochemical soil sampling program currently underway on the Northern Zone at a budgeted cost of U.S.$200,000.

The Tuligtic Prospect Mexico

MAP 6 TULIGTIC

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 is owned through the Company s subsidiary, Compania Minera Zapata, S.A. de C.V. The Cerro Grande claim was acquired directly by staking. At the time of acquisition, the project was located within the area of influence of the BHP Billiton World Exploration Inc. (BHP) Joint Venture and under terms of the Joint Venture it was offered to BHP. In 2005 BHP quit claimed the prospect to the Company, relinquishing any present or future interest in the Cerro Grande claim.

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

Expenditures to Date

During Fiscal 2006, the Company incurred $133,102 in exploration costs on this prospect, primarily on geochemistry ($40,073) and professional/technical services ($34,549). The value of securities received pursuant to the option agreement with Pinnacle was $94,000. As at December 31, 2006, the Company had deferred costs of $121,022, net of write-downs, 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.

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 2007, Ending December 31, 2007

The Company has no planned exploration program for Fiscal 2007 with all work being conducted by Pinnacle which is earning its interest in the prospect.

The Viky Prospect Mexico

MAP 7 - VIKY

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

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 February 2007, the Company entered into an agreement with Apex Silver Mines Limited (Apex). To earn a 60% interest, Apex must 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.

Expenditures to Date

During Fiscal 2006, the Company incurred $104,045 in acquisition and $137,668 in exploration costs on this prospect, primarily on geophysics ($23,727), geochemistry ($36,827), professional/technical services ($24,771) and claim maintenance costs ($27,785). As at December 31, 2006, the Company had deferred costs of $230,918 on this prospect.

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.

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 2007, Ending December 31, 2007

The Company has no planned exploration program for Fiscal 2007 with all work being conducted by Apex which is earning its interest in the prospect.

The El Pulpo Prospect - Mexico

The El Pulpo 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 subsidiary acquired a 100% interest in the Gavilan claims by staking in Fiscal 2001. Two additional claims, which are surrounded by the Gavilan claims, were optioned from private Mexican individuals

in Fiscal 2003.

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

In Fiscal 2004, the Company entered into an agreement with Ross River in which the Company agreed to sell a 100% of its right, title and interest in this prospect. The transaction completed in Fiscal 2005. In consideration for the Company s interest, Ross River issued to the Company 2,200,000 shares of Ross River. Ross River is required to issue an additional 1,000,000 shares when exploration and development expenditures on the property meet or exceed U.S.$10,000,000 and an additional 1,000,000 shares on the delivery of a positive feasibility study recommending production on any part of the property. Almaden will retain a 2% NSR regarding any minerals from it s formerly 100% owned concessions. After a feasibility study is completed on a mineral deposit, one half of this 2% NSR (a 1% NSR) can be purchased by Ross River from Almaden for fair market value as determined by an internationally recognised engineering firm acceptable to both parties.

The Ram Prospect Canada

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

Option to Acquire Interest

The Ram claims were acquired from the Company s predecessor (Fairfield) and are 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 can earn 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.

Expenditures to Date

During Fiscal 2006, the Company incurred no costs on this prospect. As at December 31, 2006, the Company is carrying this prospect at $1.

Location and Access

The Ram prospect is in the Watson Lake Mining District, 260 kilometers northeast of Whitehorse, and 45 kilometers south of Ross River, Yukon Territory. The claims are accessible by seasonal four-wheel drive road originating from the South Canol Road (Highway 8).

History and Recent Work

The current 69 Ram claims formed part of a much larger block of 758 claims staked in 1984 and 1985 by Regional Resources Ltd. (Fairfield s predecessor), to cover gold-silver and base metal geochemical anomalies and mineral occurrences. Work completed by Regional in 1985 included line cutting, grid geochemical surveys, geological mapping, prospecting and minor hand trenching.

Title to the entire claim group was transferred to Fairfield in 1986. During 1987, Fairfield conducted further grid soil sampling, reconnaissance rock sampling and ground geophysical surveys. In 1988, Fairfield and joint venture partner Equity Silver Mines Ltd. carried out diamond drilling and additional soil geochemistry. Thirty-one BQ core holes totaling 3723 metres were drilled to test five separate targets on the property. Fifteen of these holes tested the Vole, Trout and Mouse Showings located on the presently existing (69) claims.

From 1991 to 1999, the property was under option to Pacific Comox Resources Ltd. which conducted airborne and ground geophysical surveys, and a reverse circulation drill program that included six short holes on the present (69) claims. The claim holdings were reduced to this number by December 1993.

In May 2000 the Ram claims were optioned by Ross River which in turn optioned them, together with its larger

adjoining Tay-LP land package, to Newmont Exploration of Canada Limited (Newmont). Fieldwork in the Ram area by Newmont during 2000 included airborne magnetic and electromagnetic (EM) geophysical surveys, geological mapping and prospecting, soil and rock geochemical sampling, and auger overburden drill sampling. Newmont terminated its option on the entire Ram/Tay-LP project in December, 2001.

During 2002, Ross River carried out further prospecting and rock sampling on the Ram claims, as well as diamond drilling of four holes totaling 342.6 metres to test EM and geochemcial anomalies.

Geology and Mineralization

The present claim area is underlain by a sequence of moderately deformed and metamorphosed Lower Paleozoic sediments intruded by probable Cretaceous age granitic rocks. Lithologies comprising the stratigraphic assemblage include phyllite, schist, dolostone, quartzite and slate. Calc-silicate hornfels and chlorite-magnetite skarn occur at or near intrusive contacts.

Auriferous mineralization on the property is dominantly hosed by phyllite and occurs as irregular quartz-sulphide masses, veins and stockworks, breccias, skarn/hornfels, and local replacements of thin calcareous interbeds. Sparse intrusive exposures are variably silicified, clay altered and also locally contain quartz-sulphide veins and sulphide disseminations. A prominent regional domal uplift of the stratified rocks is interpreted to reflect the presence of buried intrusions responsible for the mineralizing events. The style and setting of the various occurrences are consistent with the model of intrusion related gold systems along the Tintina Gold Belt of central Yukon and Alaska, within which the Ram prospect is situated.

The gold is associated with quartz-tourmaline, pyrrhotite, pyrite, bismuthenite, tellurides, chalcopyrite, arsenopyrite and galena. Best mineralization discovered to date occurs at the Vole Showing, where drilling in 1988 intersected a quartz-sulphide stockwork zone assaying 2.2 g/t gold over 5.3 metres. Approximately 1300 metres south of this area, a 5-metre wide quartz-sulphide vein outcrops at the Trout Showing. This showing was also drill tested in 1988; silver assays of up to 101.8 g/t over 1.74 metres were returned, but gold values were low.

Infrastructure

There is no infrastructure in place on the prospect.

Drilling Results

During Fiscal 2002, Ross River completed four diamond drill holes totaling 342.6 metres on the Ram claims, to test EM and geochemical anomalies. No significant gold assays were obtained from core samples.

Planned Work Program Fiscal 2007, Ending December 31, 2007

The Company has no information as to any exploration program for Fiscal 2007 proposed by Ross River or Newmont. The claims have expiry dates from December 31, 2013 to December 31, 2019.

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 own a 50% share interest in ATW.

Expenditure to Date

During Fiscal 2006, the Company incurred $80,519 in exploration costs, primarily on a drill program ($65,722). $188,879 of exploration costs were written off to operations during the year ended December 31, 2006. As at December 31, 2006, the Company had deferred costs of $100,000, net of write-downs, 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 can not 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.

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 the Company 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.

Planned Work Program Fiscal 2007, Ending December 31, 2007

The Company has no planned exploration program for Fiscal 2007. The Company plans for a detailed sonic drill program to define the source of the indicator mineral train for future diamond drill testing to be carried out in Fiscal 2008.

The Rock River Coal Prospect Canada

The Rock River Coal Prospect is without proven reserves and all current work by the Company on the prospect is exploratory in nature.

Option to Acquire Interest

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. (Santoy), formerly Troymin Resources Ltd. (Troymin), holds the remaining 50% interest. The licenses were originally applied for by the Company s President during Fiscal 2001 and when granted, a 50% interest was declared held for the benefit of the Company and a 50% interest for the benefit of Troymin. The licenses are subject to a gross over riding royalty (GORR) of 3% payable to H. Leo King upon the licenses being issued. The joint venture can also purchase up to 2% of the GORR for $1,000,000 for each per cent.

Expenditures to Date

During Fiscal 2006, the Company advanced $19,190 towards a drill program and paid its portion (50%) of the third year lease deposit of $18,770, all of which was written off to operations. As at December 31, 2006, the Company had deferred costs of $39,339 on this prospect.

Location and Access

The licenses are located in the Watson Lake Mining District in the Yukon Territory, 100 kilometres north east of Watson Lake. Access is by helicopter. A winter road extends to 10 kilometres of the property.

History and Recent Work

Coal was discovered by Sulpetro Minerals Ltd. in the Rock River Basin in July 1980 and five holes were drilled in 1981 for a preliminary evaluation of the coal potential. A gravity survey of the entire basin on widely spaced lines was carried out in 1982. This survey identified nine responses possibly sourced by coal units. These can be divided into six anomalous areas, one of which includes the known coal beds. Near surface coal was intersected in drill holes one and two. A Yukon Government publication, Yukon Exploration and Geology 1983 reports that Sulpetro staff estimated 56,000,000 tonnes of lignite coal lies within 80 metres of the surface in the vicinity of holes 1 and 2. Analyses indicated a thermal content of 6645 BTU at equilibrium moisture and a waste to coal ratio of 2:1. The coal ranks from lignite A to subbituminous C. The Almaden/Troymin joint venture conducted a review of government and Sulpetro data. During the summer of 2003, a geological review and reconnaissance program was carried out on the prospect by Aurora Geosciences Ltd.

Geology and Mineralization

Tertiary strata in the Rock River Basin accumulated in an inter montane valley whose geometry and history was probably controlled by subsidence related to the Rock River fault. Coal deposits in the Rock River Basin are interpreted as products of desposition in forest moor environments associated with stable channel fluvial systems. If the elongate gravity anomalies identified by Sulpetro are coal the ultimate coal potential of the property is very high. To prove up coal resources would require an extensive program of closely spaced holes.

Planned Work Program Fiscal 2007, Ending December 31, 2007

The Company has no planned exploration program for Fiscal 2007. The Company is 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 expire on July 30, 2007. The Company intends to renew the licenses.

The MOR Prospect Canada

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

Option to Acquire Interest

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 ent