

THUNDER MOUNTAIN GOLD INC  
Form 10-Q  
November 21, 2011

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

**FORM 10-Q**

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

For the quarterly period ended September 30, 2011

OR

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

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

Commission File Number: 001-08429

**THUNDER MOUNTAIN GOLD, INC.**

(Exact name of Registrant as specified in its charter)

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Nevada  
(State or other jurisdiction of incorporation or  
organization)

91-1031015  
(IRS identification No.)

**5248 W. Chinden Blvd**  
**Boise, Idaho**  
(Address of Principal Executive Offices)

**83714**  
(Zip Code)

**(208) 658-1037**  
(Registrant's Telephone Number, including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

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.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the Registrant is  a large accelerated filer,  an accelerated filer,  a non-accelerated filer, or  a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act)

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)  
 Yes  No

Number of shares of issuer's common stock outstanding at October 31, 2011: 28,430,049

THUNDER MOUNTAIN GOLD

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## PART I Financial Information

**Item 1. Financial Statements****Thunder Mountain Gold, Inc.***(An Exploration Stage Company)***Consolidated Balance Sheets***September 30, 2011 and December 31, 2010*

	(Unaudited) September 30, 2011	December 31, 2010
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 44,534	\$ 298,232
Prepaid expenses and other assets	29,351	23,118
Total current assets	73,885	321,350
Property, equipment and mining claims:		
South Mountain Mines property	357,497	357,497
Equipment, net of accumulated depreciation	13,915	23,109
Mining leaseholds	63,310	59,930
Total property, equipment and mining claims	434,722	440,536
Other assets:		
Deferred financing costs, net of accumulated amortization	154,067	172,653
Total other assets	154,067	172,653
<b>Total assets</b>	<b>\$ 662,674</b>	<b>\$ 934,539</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities:		
Convertible note payable - related party, net of \$103,334 conversion option liability (See Note 4)	\$ 36,666	\$ -
Conversion option liability (See Note 4)	33,940	-
Accounts payable and other accrued liabilities	158,937	52,617
Total current liabilities	229,543	52,617
Long-term liabilities:		
Warrant liabilities	696,579	1,589,171
<b>Total liabilities</b>	<b>926,122</b>	<b>1,641,788</b>

## Commitments and contingencies (See Note 3)

## Stockholders' equity (deficit):

Preferred stock; \$0.001 par value, 5,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; \$0.001 par value; 200,000,000 shares authorized; 28,430,049 and 27,001,740 shares issued and outstanding, respectively	28,431	27,002
Additional paid-in capital	2,524,415	2,452,644
Less: 11,700 shares of treasury stock, at cost	(24,200)	(24,200)
Subscription receivable	(14,713)	-
Deficit accumulated prior to 1991	(212,793)	(212,793)
Accumulated deficit during the exploration stage	(2,564,588)	(2,949,902)
Total stockholders' equity (deficit)	(263,448)	(707,249)
<b>Total liabilities and stockholders' equity (deficit)</b>	<b>\$ 662,674</b>	<b>\$ 934,539</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**Thunder Mountain Gold, Inc.**  
*(An Exploration Stage Company)*  
**Consolidated Statements of Operations and Comprehensive Income**  
**(Loss)**  
*(Unaudited)*

	Three Months Ended		Nine Months Ended		During Exploration Stage 1991 Through September 30, 2011
	September 30,		September 30,		
	2011	2010	2011	2010	
<b>Revenue:</b>					
Royalties, net	\$ -	\$ -	\$ -	\$ -	\$ 328,500
Gain on sale of property and mining claims	-	-	-	-	2,576,112
Total revenue	-	-	-	-	2,904,612
<b>Expenses:</b>					
Exploration expenses	66,191	120,081	186,930	232,867	1,929,748
Legal and accounting	24,934	51,273	105,304	148,838	867,519
Management and administrative	91,861	96,277	406,326	426,460	2,538,598
Directors' fees and professional services	-	-	-	-	725,741
Depreciation and depletion	3,065	3,135	9,193	9,295	133,928
Total expenses	186,051	270,766	707,753	817,460	6,195,535
<b>Other income (expense):</b>					
Interest and dividend income	-	14	54	26	283,979
Interest expense	(21,303)	(18,527)	(54,320)	(36,075)	(150,777)
Gain (loss) on change in fair value of warrant liabilities	96,201	355,266	1,091,221	342,766	1,099,010
Loss on common stock and warrants	(5,355)	(256,747)	(13,282)	(256,747)	(263,899)
Gain on change in fair value of conversion option liability	89,091	-	89,091	-	89,091
Financing expense from conversion option	(19,697)	-	(19,697)	-	(19,697)
Gain on foreign currency translation	-	260	-	2,218	-
Gain on sale of securities	-	-	-	-	166,116
Impairment of investments	-	-	-	-	(52,299)
Total other income (expense)	138,936	80,266	1,093,067	52,188	1,151,524
Net income (loss) before income taxes	(47,114)	(190,500)	385,314	(765,272)	(2,139,398)

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Provision for income taxes	-	-	-	-	(151,496)
Net income (loss)	(47,114)	(190,500)	385,314	(765,272)	(2,290,894)
Treasury stock cancelled	-	-	-	-	(273,694)
		\$		\$	\$
<b>Comprehensive income (loss)</b>	\$ (47,114)	(190,500)	\$ 385,314	(765,272)	(2,564,588)
	\$	\$		\$	
Net income (loss) per common share-basic and diluted	0.00	(0.01)	\$ 0.01	(0.04)	\$ (0.14)
Weighted average common shares outstanding-basic and diluted	28,218,349	20,583,469	27,492,795	19,790,795	17,918,373

*The accompanying notes are an integral part of these consolidated financial statements.*



**Thunder Mountain Gold, Inc.***(An Exploration Stage Company)***Consolidated Statements of Cash Flows***(Unaudited)*

	Nine Months Ended September 30,		During Exploration Stage 1991 Through September 30, 2011
	2011	2010	
Cash flows from operating activities:			
Net income (loss)	\$ 385,314	\$ (765,272)	\$ (2,290,894)
Adjustments to reconcile net income (loss) to net cash used by operating activities:			
Depreciation and depletion	9,193	9,295	133,928
Common stock, warrants and options issued for services	72,000	44,000	264,320
Adjustment for anti-dilution provisions	-	-	86,084
Amortization of directors' fees prepaid with common stock	-	-	53,400
Amortization of deferred financing costs	47,087		105,449
Compensation expense for stock issued		93,500	