THUNDER MOUNTAIN GOLD INC
Form 10-Q
August 19, 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 June 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)

Nevada

91-1031015

(State or other jurisdiction of

(IRS identification No.)
incorporation or organization)

5248 W. Chinden Blvd
Boise, Idaho **83714**
(Address of Principal Executive Offices) (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 file, 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 August 16, 2011: 28,230,049

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PART I FINANCIAL INFORMATION

Item 1: Financial Statements

Thunder Mountain Gold, Inc.
(An Exploration Stage Company)
Consolidated Balance Sheets
June 30, 2011 and December 31, 2010

	(Unaudited) June 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,504	$ 298,232
Prepaid expenses and other assets	17,458	23,118
Total current assets	28,962	321,350
Property, equipment and mining claims:		
South Mountain Mines property	357,497	357,497
Equipment, net of accumulated depreciation	16,978	23,109
Mining leaseholds	63,310	59,930
Total property, equipment and mining claims	437,785	440,536
Other assets:		
Deferred financing costs, net of accumulated amortization	141,262	172,653
Total other assets	141,262	172,653
Total assets	**$ 608,009**	**$ 934,539**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Note payable - related party	$ 110,000	$ -
Accounts payable and other accrued liabilities	98,753	52,617
Total current liabilities	208,753	52,617
Long-term liabilities:		
Warrant liabilities	772,965	1,589,171
Total liabilities	981,718	1,641,788
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; $0.001 par value; 200,000,000 shares authorized; 28,230,049 and 27,001,740 shares issued and outstanding, respectively	28,231	27,002
Subscription receivable	(171,889)	-
Additional paid-in capital	2,524,415	2,452,644
Less: 11,700 shares of treasury stock, at cost	(24,200)	(24,200)
Deficit accumulated prior to 1991	(212,793)	(212,793)
Accumulated deficit during the exploration stage	(2,517,473)	(2,949,902)
Total stockholders' equity (deficit)	(373,709)	(707,249)
Total liabilities and stockholders' equity (deficit)	**$ 608,009**	**$ 934,539**

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 June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	During Exploration Stage 1991 Through June 30, 2011
Revenue:					
Royalties, net	$ -	$ -	$ -	$ -	$ 328,500
Gain on sale of property and mining claims	-	-	-	-	2,576,112
Total revenue	-	-	-	-	2,904,612
Expenses:					
Exploration expenses	66,901	50,771	120,737	112,785	1,863,557
Legal and accounting	51,692	46,796	80,370	97,565	842,586
Management and administrative	189,484	100,649	314,465	330,183	2,446,737
Directors' fees and professional services	-	-	-	-	725,741
Depreciation and depletion	3,065	3,097	6,129	6,161	130,863
Total expenses	311,142	201,313	521,701	546,694	6,009,484
Other income (expense):					
Interest and dividend income	6	-	53	12	283,980
Interest expense	(17,212)	(16,451)	(33,017)	(17,548)	(129,474)
Gain (loss) on fair value of warrant liability	517,065	(12,500)	995,020	(12,500)	1,002,809
Loss on common stock and warrants	(7,926)	-	(7,926)	-	(258,543)
Gain on foreign currency translation	-	1,958	-	1,958	-
Gain on sale of securities	-	-	-	-	166,116
Impairment of investments	-	-	-	-	(52,299)
Total other income (expense)	491,933	(26,993)	954,130	(28,078)	1,012,589
Net income (loss) before income taxes	180,791	(228,306)	432,429	(574,772)	(2,092,283)

(Provision) for income taxes	-	-	-	-	(151,496)
Net income (loss)	180,791	(228,306)	432,429	(574,772)	(2,243,779)
Treasury stock cancelled	-	-	-	-	(273,694)
Comprehensive income (loss)	$ 180,791	$ (228,306)	$ 432,429	$ (574,772)	$(2,517,473)
Net income (loss) per common share-basic and diluted	$ 0.01	$ (0.01)	$ 0.02	$ (0.03)	$ (0.15)
Weighted average common shares outstanding-basic and diluted	27,256,499	19,992,810	27,124,006	19,387,889	16,376,941

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

1

Thunder Mountain Gold, Inc.
(An Exploration Stage Company)

Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	During Exploration Stage 1991 Through June 30, 2011
Cash flows from operating activities:			
Net income (loss)	$ 432,429	$ (574,772)	$ (2,243,780)
Adjustments to reconcile net income (loss) to net cash used by operating activities:			
Depreciation and depletion	6,129	6,161	130,863
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	31,391	14,500	89,753
Compensation expense for stock issued		93,500	76,500
Gain on sale of mining claims and other assets	-	-	(2,736,553)
Impairment loss on securities	-	-	52,335
Gain on change in fair value of warrant liability	(995,020)	12,500	(1,002,809)
Loss on common stock and warrants	7,926	-	258,543
Change in:			
Prepaid expenses and other assets	5,660	25,691	(17,458)
Accounts payable and other liabilities	46,137	(15,083)	105,187
Receivables	-	-	124,955
Net cash used by operating activities	(393,348)	(393,503)	(4,758,660)
Cash flows from investing activities:			
Proceeds from sale of property and mining claims	-	-	5,500,000
Purchase of Dewey Mining Co. mining claims	-	-	(2,923,888)
Purchase of investments	-	-	(354,530)
Purchase of South Mountain Mines	-	-	(357,497)
Purchase of mining claims	(3,380)	(3,380)	(63,310)
Purchase of equipment	-	-	(168,577)
Proceeds from disposition of investments	-	-	642,645
Proceeds from disposition of equipment	-	-	49,310
Net cash provided (used) by investing activities	(3,380)	(3,380)	2,324,153
Cash flows from financing activities:			

Proceeds from sale of common stock, net	-	250,000	2,033,867
Proceeds from exercise of warrants	-	-	434,750
Proceeds from exercise of stock options	-	-	73,850
Acquisition of treasury stock	-	-	(376,755)
Borrowing on related party note payable	110,000	65,000	531,500
Payments on related party note payable	-	(43,075)	(417,000)
Borrowing on notes payable	-	-	50,000
Payments on note payable	-	(50,000)	(50,000)
Net cash provided by financing activities	110,000	221,925	2,280,212
Net increase (decrease) in cash and cash equivalents	(286,728)	(174,958)	(154,295)
Cash and cash equivalents, beginning of period	298,232	266,207	165,799
Cash and cash equivalents, end of period	**$ 11,504**	**$ 91,249**	**$ 11,504**

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 (continued)
(Unaudited)

Supplemental disclosures of cash flow information:

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	During Exploration Stage 1991 Through June 30, 2011
Non-cash investing and financing activities:			
Stock issued to acquire equipment from related party	$ -	$ -	$ 11,850
Stock issued for mining contract	$ -	$ -	$ 50,000
Stock issued for payment of accounts payable	$ -	$ -	$ 29,250
Stock issued for payments on related party note payable	$ -	$ -	$ 4,500
Fair value of warrants issued for subscription receivable	$ 178,813	$ 53,125	$ 1,775,773
Stock issued for deferred compensation	$ -	$ -	$ 21,000
Stock issued in non-cash exercise of option	$ 128	$ -	$ 128

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

Thunder Mountain Gold, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations

Business Operations

Thunder Mountain Gold, Inc. (Thunder Mountain or the Company) was originally incorporated under the laws of the State of Idaho on November 9, 1935, under the name of Montgomery Mines, Inc. In April 1978, the Montgomery Mines Corporation was obtained by a group of the Thunder Mountain property holders and changed its name to Thunder Mountain Gold, Inc., with the primary goal to further develop their holdings in the Thunder Mountain Mining District, located in Valley County, Idaho. Thunder Mountain Gold, Inc. takes its name from the Thunder Mountain Mining District, where its principal lode mining claims were located. For several years, the Company s activities were restricted to maintaining its property position and exploration activities. During 2005, the Company sold its holdings in the Thunder Mountain Mining District. During 2007, the Company acquired the South Mountain Mines property in southwest Idaho and initiated exploration activities on that property.

Exploration Stage Enterprise

The Company s financial statements are prepared using the accrual method of accounting and according to, Accounting for Development Stage Enterprises, as it devotes substantially all of its efforts to acquiring and exploring mining interests that will eventually provide sufficient net profits to sustain the Company s existence. Until such interests are engaged in commercial production, the Company will continue to prepare its financial statements and related disclosures in accordance with entities in the exploration stage.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Thunder Mountain Resources, Inc. All significant intercompany accounts and transactions have been eliminated and any significant related party transactions have been disclosed.

Reclassifications

Certain reclassifications have been made to conform the prior periods data to the current presentation. These reclassifications have no effect on the results of reported operations or stockholders equity (deficit).

Basis of Presentation

The unaudited financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information, as well as the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of the Company s management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the interim financial statements have been included. Operating results for the six months ended June 30, 2011, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2011.

For further information, refer to the financial statements and footnotes thereto in the Company s Annual Report on Form 10-K for the year ended December 31, 2010.

Thunder Mountain Gold, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations, continued:

Going Concern

The accompanying consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. The company is an exploration stage company and has incurred losses since its inception and its ability to continue as a going concern is dependent on the Company s ability to raise capital to fund its future exploration and working capital requirements. These factors raise substantial concern about the Company s ability to continue as a going concern. The Company s plans for the long-term return to and continuation as a going concern include financing the Company s future operations through sales of its common stock and the eventual profitable exploitation of its mining properties.

The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers cash in banks and highly liquid short-term investments with original maturities when acquired of three months or less to be cash and cash equivalents. The Company s cash was held in a Merrill Lynch money market fund on June 30, 2011, which may not be covered by insurance of the Federal Deposit Insurance Corporation (FDIC).

Fair Value Measures

ASC 820 requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC prioritizes the inputs into three levels that may be used to measure fair value:

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Level 1: Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

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Level 2: Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent

Thunder Mountain Gold, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations, continued:

transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

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Level 3: Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Our financial instruments consist principally of cash. The table below sets forth our assets and liabilities measured at fair value, whether recurring or non-recurring and the fair value calculation input hierarchy level that we have determined applies to each asset and liability category.

	Balance June 30, 2011	Balance December 31, 2010	Input Hierarchy level
Recurring:			
Cash	$ 11,504	$ 298,228	Level 1
Warrants	$ (772,965)	$ (1,589,171)	Level 2

For the warrant liabilities which are measured at fair value on a recurring basis, the Company uses the Black-Scholes valuation model with the following inputs as of June 30, 2011 and December 31, 2010:

	June 30, 2011	December 31, 2010
Stock price	$0.20	$0.30
Exercise price	$0.20-$1.15	$0.20-$1.15
Expected term	0.25-2 yrs	0.75-2.33 yrs
Estimated volatility	203%-229%	209%-280%
Discount rate	0.19%-0.81%	0.29%-1.02%

Property and Equipment

Property and equipment are carried at cost. Depreciation is computed using straight-line depreciation methods with useful lives of three to seven years. Major additions and improvements are capitalized. Costs of maintenance and repairs, which do not improve or extend the life of the associated assets, are expensed in the period in which they are incurred. When there is a disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in net income.

Mining Properties and Claims

The Company capitalizes costs for acquiring mineral properties and expenses costs to maintain mineral rights and leases as incurred. Exploration costs are expensed in the period in which they occur. Should a property reach the production stage, these capitalized costs would be amortized using the units-of-production method on the basis of periodic estimates of ore reserves. Mineral properties are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, its capitalized costs are charged to operations.

Thunder Mountain Gold, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations, continued:

Income Taxes

The Company recognizes deferred income tax liabilities or assets at the end of each period using the tax rate expected to be in effect when the taxes are actually paid or recovered. A valuation allowance is recognized on deferred tax assets when it is more likely than not that some or all of the deferred tax assets will not be realized. The Company has evaluated all tax positions for open years and has concluded that it has no material unrecognized tax benefits. Management estimates the Company s effective tax rate for the year ending December 31, 2011 will be 0%.

Reclamation and Remediation

The Company s operations have been, and are subject to, standards for mine reclamation that have been established by various governmental agencies. The Company records the fair value of an asset retirement obligation as a liability in the period in which the Company incurs a legal obligation for the retirement of tangible long-lived assets. A corresponding asset is also recorded and depreciated over the life of the asset. After the initial measurement of the asset retirement obligation, the liability is adjusted at the end of each reporting period to reflect changes in the estimated future cash flows underlying the obligation.

Determination of any amounts recognized upon adoption is based upon numerous estimates and assumptions, including future retirement costs, future inflation rates and the credit-adjusted risk-free interest rates.

For non-operating properties, the Company accrues costs associated with environmental remediation obligations when it is probable that such costs will be incurred and they are reasonably estimable. Such costs are based on management s estimate of amounts expected to be incurred when the remediation work is performed.

Share-Based Compensation

The Company requires all that share-based payments to employees and directors, including grants of employee stock options, be measured at fair value and expensed in the statement of operations over the service period. In addition to the recognition of expense in the financial statements, any excess tax benefits received upon exercise of options will be presented as a financing activity inflow rather than as an adjustment of operating activity as presented in prior years.

Net Income (Loss) Per Share

The Company is required to have dual presentation of basic earnings per share (EPS) and diluted EPS on the face of all income statements for all entities with complex capital structures. Basic EPS is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS is calculated based on the weighted average number of common shares outstanding during the period plus the effect of potentially dilutive common stock equivalents, including warrants to purchase the Company s common stock.

Thunder Mountain Gold, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations, continued:

As of June 30, 2011 and 2010, the remaining potentially dilutive common stock equivalents (warrants) not included in the calculation of diluted earnings per share as their effect would have been anti-dilutive are as:

For periods ended	June 30, 2011	June 30, 2010
Convertible related party note	0	364,997
Warrants	8,313,271	1,890,000
Total possible dilution	**8,313,271**	**2,254,997**

2.

Stockholders Equity (Deficit)

The Company s common stock is at $0.001 par value with 200,000,000 shares authorized. The Company also has 5,000,000 authorized shares of preferred stock with a par value of $0.001. No preferred shares have been issued.

On September 14, 2010, the Company issued 78,000 units to Eric T. Jones at Cdn$.20 per Unit. The Company recognized a $10,559 and $450 gain on the change in the fair value of the Jones warrants as of June 30, 2011 and December 31, 2010, respectively. As the Company s functional currency is the U.S. Dollar and these warrants have an exercise price denoted in Canadian Dollars, derivative liability accounting is prescribed.

On September 24, 2010, the Company issued 6,130,271 Units in a private placement offering for net proceeds of $995,737. The Company recognized an $894,112 and $38,054 gain on the change in the fair value of outstanding warrants as of June 30, 2011 and December 31, 2010, respectively. The deferred financing costs are amortized to the statement of operations over the life of the warrants using the straight-line method, which approximates the effective interest rate method. The Company recognized $31,391 in amortization of deferred financings costs for the six months ended June 30, 2011. As the Company s functional currency is the U.S. Dollar and these warrants have an exercise price denoted in Canadian Dollars, derivative liability accounting is prescribed.

On May 10, 2010, the Company issued 1.25 million Units at $0.20 per Unit in a private placement for net proceeds of $250,000. The Company has allocated $145,316 of the proceeds from the private placement as a long term warrant liability and has recognized a $90,392 gain on the warrants at June 30, 2011 as a result of a change in fair value of those warrants. Certain anti-dilution provisions in these warrants cause them to be accounted for as a derivative liability.

Under the terms of a consulting agreement between the Company and R. Scott Barter dated April 8, 2010, the Company issued approximately 128,000 shares in the current period to the R. Scott Barton 2005 Defined Contribution Plan utilizing the cashless exercise option of the agreement.

Thunder Mountain Gold, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

2.

Stockholders Equity (Deficit), continued:

As approved by the Board on April 4, 2011, the Company issued 50,000 shares of Company common stock each to Bill Ross and Saf Dhillon in exchange for consulting services. The total value of the stock issued and related expense on that date was $27,000.

On June 26, 2011, the Company entered into a stock subscription agreement with Life Media Group AG with a subscription price of Cdn$0.17 per Unit for 1,000,000 Units. Each Unit is comprised of one share of common stock of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of common stock of the Company at a price of Cdn$0.20 per share for a two year period following closing at any time until the two year anniversary of the closing. The Company may require early exercise of the warrants in the event that the common shares trade at a weighted average

price of Cdn$0.25 for five consecutive trading days. No payment was received by the Company at the time of the subscription. Using a Black-Scholes valuation method with the following inputs: current stock price of $0.20; exercise price of $0.2047600; expected term of two years; expected volatility of 229.3%; and a risk-free rate of 0.45% resulting in a liability related to the warrants of $178,831, the Company recognized a $44 loss on the change in the fair value of the warrants as of June 30, 2011.

The following is a summary of warrants as of June 30, 2011.

	Warrants	Exercise Price	Expiration Date
Warrants:			
Outstanding and exercisable at December 31, 2009	15,000	$ 0.05	August 20, 2011
Warrants exercised	(10,000)	$ 0.05	August 20, 2011
Warrants issued May 10, 2010	625,000	$ 0.75	Three years from exercise of Series A Warrant (1)
Warrants issued September 30, 2010	6,683,271	$ 0.19	September 30, 2013
Warrants issued June 26, 2011	1,000,000	$ 0.19	June 25, 2013
Total warrants outstanding at June 30, 2011	8,313,271	$ 0.20	

(1)

Each Series A Warrant is exercisable at $.20 for one-half a Series B Warrant; each whole Series B Warrant is exercisable for one share of common stock.

Options:

Pursuant to a consulting agreement with R. Scott Barter, the Company issued 250,000 nonqualified options to purchase common stock with an exercise price of $0.20. Management has valued these options as of the date of issuance using a Black-Scholes valuation method with the following inputs: stock price of $0.19; exercise price of $0.20; expected term of three years; expected volatility of 243.31%; and a risk-free rate of 1.68% resulting in $45,000 compensation expense being recorded. These options were exercised during the six-months ended June 30, 2011 in a cashless manner resulting in the issuance of approximately 128,000 shares of common stock for $0 in cash. As of June 30, 2011 no options remain outstanding.

Thunder Mountain Gold, Inc.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

3.

Commitments

On March 21, 2011, the Company signed an exploration agreement with Newmont Mining Corporation on the Trout Creek Project that significantly expands the Trout Creek target area. Newmont s private mineral

package added to the Project surrounds the Company s claim group and consists of about 9,565 acres within

a thirty-square mile Area of Influence defined in the agreement. Under the terms of the agreement, the Company is responsible for conducting the exploration program and is obligated to expend a minimum of $150,000 over the ensuing two years, with additional expenditures possible in future years.

4.

Related Party Transactions

On April 27, May 26 and June 20, 2011, as approved under Board resolution, Mr. Collord, the Company s president and chief executive officer, made loans to the Company of $50,000, $25,000 and $35,000, respectively. The purpose of the bridge loans is to provide the Company operational capital to meet its day to day operational needs. The term of each loan is ninety days and these funds are to be repaid upon receipt of other financing generated through a private placement that commenced May 26, 2011 for the sale of common stock purchase warrants exercisable to common stock at a price to be determined at a later date by the President to be in the best interests of the Company. The Collords were given the option that any portion of the amount loaned could be convertible to Company stock. If the loans are not paid in full within the ninety days, the Company will deed 10 acres of surface estate only at their South Mountain property in payment of the loan. Interest accrues at the rate of one percent (1%) per month and the Company accrued $1,433 in interest expense related to the loans at June 30, 2011.

5.

Subsequent Events

On July 22, 2011, the Company engaged IBK Capital in Toronto, Ontario Canada, to raise up to Cdn$3M in an non-brokered private placement. The Company paid $12,500 in fees. Terms of the placement will be determined after IBK Capital completes their due diligence on the Company, which should take approximately 60 days. There will be finder s fees associated with the financing.

On June 30, 2011, the Company sold one million units in a private placement to one individual. The units were priced at Cdn $0.17 per unit, and consisted of one share of common stock, and one full warrant to purchase a full share of common stock at Cdn$0.20 for two years. If the Company s stock closes above Cdn$0.25 for a five consecutive days, then the Company has the right to force the holder to exercise the warrants.

Item 2. Management's Discussion and Analysis or Plan of Operation

FORWARD LOOKING STATEMENTS: The following discussion may contain forward-looking statements that involve a number of risks and uncertainties. Factors that could cause actual results to differ materially include the following: inability to locate property with mineralization, lack of financing for exploration efforts, competition to acquire mining properties; risks inherent in the mining industry, and risk factors that are listed in the Company's reports and registration statements filed with the Securities and Exchange Commission.

Management's discussion and analysis is intended to be read in conjunction with the Company's unaudited financial statements and the integral notes thereto for the quarter ending June 30, 2011. The following statements may be forward-looking in nature and actual results may differ materially.

The following Management s Discussion and Analysis of Financial Condition and Results of Operation (MD&A) is intended to help the reader understand our financial condition. MD&A is provided as a supplement to, and should be read in conjunction with, our financial statements and the accompanying integral notes (Notes) thereto. The following statements may be forward-looking in nature and actual results may differ materially.

The Company employed three full-time budgeted salaried management during the quarter, and was able to meet its immediate financial obligations during the first quarter 2011. The Company maintains its office in the Boise, Idaho area in Garden City. This is the primary work area for the South Mountain Project and is utilized by Pete Parsley and Eric Jones. Jim Collord has been working from this office on a part-time basis and living in a temporary residence in Boise Idaho at no additional charge to the Company. He will continue to work from his home office in Elko, Nevada while advancing the Trout Creek Project in Nevada, and will work out of the Boise office as the South Mountain exploration program gears back up this spring.

The primary focus of Management during the first quarter of 2011 was to finish analyzing the exploration results from their drilling at South Mountain in October, and to review data and complete the Trout Creek Nevada joint exploration agreement with Newmont Mining. The 2010 South Mountain exploration program and the Newmont joint exploration agreement are discussed in more detail below, along with a discussion of the Company`s wholly-owned subsidiaries, Thunder Mountain Resources, Inc. and South Mountain Mines, Inc.

1.

South Mountain Project, Owyhee County, Idaho (South Mountain Mines, Inc.)

The Company s land package at South Mountain consists of a total of private land under lease of approximately 542 acres, the original 17 patented claims (326 acres) that the Company owns outright plus and 21 unpatented claims (290 acres) that it staked in 2008 for a total of approximately 1,158 acres. The Company has is under negotiations on additional private land surrounding the existing land package, and has applications in for approximately 3,100 acres of Idaho State Land that covers areas of geologic interest; the lease on the Idaho State Lands is expected to be finalized during the 1st Quarter 2011. All holdings are located in the South Mountain Mining District, Owyhee County, Idaho.

The historic production peaked during World War II when, base on smelter receipts, the production of direct shipped ore totaled 53,653 tons containing 3,118 ounces of gold, 566,439 ounces of silver, 13,932 pounds of copper, 2,562,318 pounds of lead and 15,593,061 pounds of zinc. In addition to the direct-ship ore, a flotation mill was constructed and operated during the late-1940s and early-1950s; no production information is available on the tons, grade and concentrate associated with this phase of the operation, but it is estimated that between 30,000 and 40,000 tons of ore were mined and processed based on the estimated volume of mill tailings that remained on site.

<u>Location Map of South Mountain and Clover Mountain Projects</u>

A multi-lithic Intrusive Breccia outcrop was identified and sampled in 2008 on property leased by the Company. This large area, approximately one mile long and one-half a mile wide, is located several thousand feet south of the main mine area. The Intrusive Breccia is composed of rounded to sub-rounded fragments of altered intrusive rock and silicified fragments of altered schist and marble. Initial rock chip samples from the outcrop area ranged from 0.49 ppm to 1.70 ppm gold, and follow-up outcrop and float sampling in 2009 yielded gold values ranging from 0.047 ppm to 5.81 ppm. A first pass orientation soil survey completed in 2008 was conducted near the discovery breccia outcrop at a spacing of 100 feet over a distance of 800 feet east/west and 1,000 feet north/south. The soil assays ranged from a trace to 0.31 ppm Gold. Surface mapping indicates that the Intrusive Breccia covers an area of approximately 5,000 feet x 1,500 feet.

The 2010 drilling focused primarily the breccia gold zone. Centra Consulting completed the storm water plan needed for the exploration road construction on private land, and it was accepted by the Environmental Protection Agency. Road construction started on August 1, 2010 by Warner Construction and a total of 3.2 miles of access and drill site roads were completed through the end of September.

A campaign of road cut sampling was undertaken on the new roads as they were completed. Three sets of samples were obtained along the cut bank of the road. Channel samples were taken on 25-foot, 50-foot or 100-foot intervals, depending upon the nature of the material cut by the road with the shorter spaced intervals being taken in areas of bedrock. A total of 197 samples were collected and sent to ALS Chemex labs in Elko, Nevada. A majority of the samples contained anomalous gold values and in addition to confirming the three anomalies identified by soils sampling, the road cuts added a fourth target that yielded a 350-foot long zone that averaged 378 parts per billion gold (0.011 ounce per ton). Follow up sampling on a road immediately adjacent to this zone yielded a 100-foot sample interval that ran 5.91 parts per million gold (0.173 ounce per ton).

An initial-phase drilling program on the Intrusive Breccia target was completed in October, 2010. Five widely-spaced holes on the four significant gold anomalies in the Intrusive Breccia target were completed with the following results:

Intrusive Breccia 2010 Drill Results

Hole Number	Depth (ft)	Average Gold Value (opt) Entire Hole	Highest Grade 5 ft Interval (opt)	Comments
LO-1	625	0.0034	0.015	All 5 foot intervals had detectable gold. Discovery outcrop area highly altered intrusive breccia with sulfides.
LO-2	845	0.001	0.016	95% of the intervals had detectable gold. Highly altered intrusive breccia with sulfides.
LO-3	940	0.0033	0.038	95% of the intervals had detectable gold. Mixed altered intrusive breccia and skarn; abundant sulfides (15 to 20% locally). West end of anomaly.
LO-4	500	0.002	0.0086	Entire hole had detectable gold. Altered intrusive breccia with sulfides. East end of anomaly.
LO-5	620	0.0037	0.036	Entire hole had detectable gold. Altered intrusive breccia with sulfides. East end of anomaly.

Management believes that the initial phase drill results from the Intrusive Breccia target proves the existence of a significant gold system in an intrusive package that is related to the polymetallic mineralization in the limestone / marble carbonate rock unit mined in the historic mine area.

Newmont Mining conducted a detailed study at their Denver research facility on rock samples they obtained from the Intrusive Breccia target. Their samples confirmed the gold values, and also helped define the mineral associations. Free gold was observed in the panned sample pulps and ranged in size up to 91 microns, and noted the association with bismuth. They feel that it may be the style of mineralization seen at their Battle Mountain Complex in Nevada.

In addition to the drilling completed in on the Intrusive Breccia target, two reverse circulation drill holes were completed targeting the down dip extension of the polymetallic zones in an effort to confirm continuity of the ore zones to a greater depth. Vertical drill hole LO-6 was placed to intercept the down dip extension of the DMEA 2 ore shoot exposed on both the Laxey and Sonneman levels of the underground workings, as well as the 2008 core hole drilled by the Company that extended the zone 300 feet down dip of the Sonneman level. Drillhole LO-6 cut a thick zone of skarn alteration and polymetallic mineralization at 760 feet to 790 feet. The intercept contained 30 feet of 3.55% zinc, 1.87 ounce per ton silver, and 0.271% copper. Internal to this zone was 15 feet of 0.060 OPT gold and 20 feet of 0.21% lead. Importantly, this intercept proves the continuity of the ore zone an additional 115 feet down dip of the 2008 drill hole, or 415 feet below the Sonneman level. It remains open at depth.

Drill hole LO-7 was placed to test the down dip extension of the Laxey ore zone, the zone that produced a majority of the silver, zinc, copper, lead and gold during the World War II period. A portion of the ore zone was intercepted approximately 180 feet below the bottom of the Laxey Shaft which mined the zone over an 800-foot length. This hole intercepted 25 feet (600-625 feet) of 8.56% zinc and 1.15 ounce per ton (opt) silver. This intercept proves the extension of the Laxey ore zone approximately 120 feet below the maximum depth previously mined when nearly 54,000 tons of sulfide ore were mined and direct shipped to the Anaconda smelter in Utah. The grade of this ore mined over the 800 feet of shaft and stope mining was 15% zinc, 10 opt silver, 0.06 opt gold, 2.3% lead and 0.7% copper. In addition to the direct-ship ore, this zone provided much of the ore provided to the flotation mill that operated in the early 1950s at South Mountain.

Work planned for the 2011 field season includes core drilling on the Texas, DMEA and Laxey sulfide ore zones in the historic mine area. The drilling is planned from the surface due to the cost of preparing the underground tunnels for drilling, and sufficient detailed targeting can be completed to determine the continuity of mineralization.

Work on the Intrusive Breccia target consists of a draped aeromagnetic survey in conjunction with resistivity and induced polarization surveys to isolate potential feeder structures. Once these feeder structures are identified, additional reverse circulation and core drilling are planned to test them and to evaluate the contact between the metasediments and the gold-bearing intrusive.

Trout Creek Exploration Project, Lander County, Nevada

The Trout Creek Reese River Valley pediment exploration target is located in Lander County, Nevada in T.29N. R44E. The Company first staked 60 unpatented mining claims totaling approximately 1,200 acres located near the western flank of the Shoshone Range in the Eureka-Battle Mountain mineral trend.

The claims were located along a northwest structural tend which projects into the Battle Mountain mining district to the northwest and into the Goat Mountain Roberts Mountain formation window and the Gold Acres, Pipeline, and Cortez area to the southeast. Northwest trending mineralized structures in the Battle Mountain mining district are characterized by elongated plutons, granodiorite porphyry dikes, magnetic lineaments, and regional alignment of mineralized areas. The Trout Creek target is located at the intersection of this northwest trending mineral belt and north-south trending extensional structures.

On March 21, 2011, the Company signed an exploration agreement with Newmont Mining Corporation on the Trout Creek Project that significantly expands the target area. Newmont s private mineral package added to the Project surrounds the Company s claim group and consists of about 9,565 acres within a thirty-square mile Area of Influence The exploration area is situated on the Eureka-Battle Mountain trend in the Reese River Valley just east of Newmont s Phoenix and Cove-McCoy Mines that have produced gold over many years.

Under the terms of the agreement, the Company is responsible for conducting the exploration program and is obligated to expend a minimum of $150,000 over the next two years, with additional expenditures possible in future years. Conducting drilling on Newmont lands is part of the work commitment, but the Agreement can be terminated after the minimum expenditure commitment has been made. The Agreement outlines the terms of a joint venture if the Company s program is successful in which Newmont can earn up to 70% of the project by expending 150% of the Company s expenditures up to the point that Newmont decides to form a joint venture. If the Company defines economic mineralization and Newmont decides not to joint venture, then the Company can obtain ownership of any or all of the Newmont lands within the Area of Influence and Newmont would retain three percent (3%) of net smelter returns (NSR) as royalty interest.

The Newmont data package made available as part of the Agreement provides additional geophysical information, as well as positive geochemical and drill data from previous 1991-1997 Santa Fe Minerals, Newmont, Crown Resources and Comeco projects on either side of the Company s main target area. The geophysical information enhances the positive geophysical trend aligned with the Cortez and Buffalo Valley Mines and is part of the Company s prospective target.

The work plan for 2011 and 2012 is to conduct additional geophysics that will help define important structural trends under the gravels, depth to bedrock and other important features of the valley fill. Interpretation of the geochemical and drill data provided by Newmont, in conjunction with the geophysics, will help guide the drilling program to be done over the next couple of field seasons.

It is anticipated that enough detailed interpretive work will be completed during the 2011 field season that drilling could commence on the primary target during the year. The budgeting has been modified to allow for the drilling of two holes during the second half of the year.

CAS Iron Creek Property, Lemhi County, Idaho

The Company purchased an option a prospective cobalt/gold property in the Idaho Cobalt Belt during the 4th quarter 2010. CAS claims are in the Iron Creek Mining District of the Idaho Cobalt Belt. It consists of 46 unpatented lode claims located on U.S. Forest Service managed lands. The property has had extensive geophysical and geochemical work completed from 2003 through 2006, plus 19 drill holes in some of the anomalous zones.

Selected assay results from previous drilling are shown below:

Drill Hole	Orientation	Interval (ft)	Total Footage	Grade Gold (OPT)	Grade Cobalt (%/lb/t)
IC0302	N10E / -50^{0}	254.5 to 275.0 /	20.5	0.241	0.510 / 10.25
IC0303	N10E / -45^{0}	239.0 to 252.0 /	13.0	0.106	0.260 / 5.14
IC0304	N10E / -50^{0}	420.0 to 435.0 /	15.0	0.243	0.340 / 6.72
IC0307	N50W / -55^{0}	125.0 to 155.0 /	30.0	0.102	0.040 / 0.073
SRR6001	S20W / -55^{0}	151.0 to 161.0 /	10.0	N/A	0.470 / 9.33

The gold-cobalt present on the CAS claim group consists of exhalative style sulfide mineralization typical of the Cobalt Belt. The Company feels that this prospect has significant potential of high-grade underground gold-cobalt mineralization and will be conducting a geologic evaluation of the property once the snow melts in the late spring 2011 prior to finalizing and agreement with the claim owner.

Under the terms of the option, the Company has until July 31, 2011 to finalize an agreement on the property to acquire 100% interest in the property. Financial terms have not been disclosed.

Clover Mountain Claim Group, Owyhee County, Idaho

A geologic reconnaissance program in the fall of 2006 identified anomalous gold, silver, and other base metals in rock chips and soils at Clover Mountain. In February 2007 the Company located the Clover Mountain claim group consisting of 40 unpatented lode mining claims totaling approximately 800 acres. Mineralization appears to be associated with stockwork veining in a granitic stock which has been intruded by northeast and northwest-trending rhyolitic dikes. The property is overlain by locally silicified rhyolitic tuff.

Follow-up rock chip sampling within the area of the anomaly has identified quartz veining with gold values ranging from 3.6 part per million (ppm) to 16.5 ppm. A soil sample program consisting of 215 samples was conducted on 200 x 200 grid spacing which defined two northeast tending soil anomalies with gold values ranging from 0.020 ppm to 0.873 ppm Au. The gold anomalies are approximately 1,000 in length and approximately 300 in width. The gold anomalies are associated with northeast trending structures with accompanying quartz stockwork veining in an exposure of Cretaceous/Tertiary granite. A 2,500 base metal soil anomaly is observed trending northwest proximal to rhyolite and rhyodacitic dikes which intrude the granitic stock. No significant work was completed on the claim group in 2010, but additional field work is warranted in the future that may include backhoe trenching and sampling in the significantly anomalous area followed by exploration drilling. During brief field work in 2010, the presence of visible free gold was noted by panning in the area of the strong soil anomaly.

The 2011 work plan has budgeted for trenching in the area of the strong gold anomaly to verify the presence of a vein system that may warrant drilling.

West Tonopah Claim Group, Esmeralda County, Nevada

Eight unpatented lode mining claims totaling approximately 160 acres in the Tonopah Mining district of Esmeralda County, Nevada were located by the Company in 2007. The claims are situated on what has been interpreted to be the offset portion of the West End and Ohio Veins along the south limb of the Tonopah District West End Rhyolite intrusive dome. The target is projected to be 500 to 800 feet deep and could initially be tested by surface drilling. The typical veins historically mined in this area were 10-20 feet thick, with localized ore shoots up to 50 feet thick. Grades historically mined in the area were 15 to 20 ounces per ton (opt) silver and 0.15 to 0.20 ounce per ton (opt) gold. There is approximately 3,000 feet of relatively unexplored strike length.

Portland Claim Group, Mohave County, Arizona

In 2008 Thunder Mountain Resources, Inc. located 19 unpatented mining claims totaling approximately 380 acres at the Portland property located approximately 30 miles northwest of Kingman, Arizona. The identified gold exploration target is along a detachment at the contact of basement Precambrian gneiss and overlying Tertiary volcanics. Surface samples of silicified rhyolite on the Portland Claim Group range from a trace to 1.35 ppm gold. The alteration and anomalous mineralization is interpreted to be leakage along vertical structures from a potentially mineralized detachment similar to the Portland 1980s open pit mine located approximately 7,500 feet east of the claim group.

Gold Hill Claim Group, La Paz County, Arizona

In 2008, Thunder Mountain Resources, Inc. staked unpatented mining claims that total approximately 440 acres in the Ellsworth mining district in west central. The Gold Hill Project covers prospective geology for a detachment style precious metals deposit. Select and chip-channel samples of exposures in shallow workings adjacent to the main covered target are highly anomalous in gold with values ranging from 5.14 ppm to 26.8 ppm gold.

Much of the exposed outcrop in the project area consists of Proterozoic gneiss with numerous metamorphic quartz veins with minor copper and gold. Along the eastern edge of a small embayment of alluvial cover, numerous prospect pits expose mineralized gneisses and quartzite that have been sheared at a low angle dipping both to the east and west. Select samples of this material have assayed as high as 26.8 ppm gold, and vertical chip channel samples of the walls of some of the accessible pits have found gold values up to 4.6 ppm gold.

Results of Operations:

The Company had no revenues and no production for the first calendar quarters ended March 31, 2011 and 2010. Total expenses for the first three months ended March 31, 2011 increased by $109,829 or 54% for the three months to $311,142, compared with $201,313 for the three months ended March 31, 2010. The increase is a result of the Company s higher administrative and exploration costs associated with the Newmont Exploration Agreement in Nevada. Exploration expense for the quarter increased by 32% to $66,901, as management focused on completing the exploration agreement and due diligence work with Newmont. Management and administrative expenses increased by 88% to $88,835 for the quarter because of the reason mentioned above, as well as travel associated with financing activities. The Board kept all three management salaries at their base salary for the quarter. The Company also experienced an increase in legal and accounting fees of 10% to $51,692 for the quarter end, primarily due to the Company s management of finances during the finalizing of the Newmont agreement, and due to the regulatory filing of the Company s S-1.

Total other income for the three months ended March 31, 2011 swung to a gain of $491933, compared to a loss of $26,993 over the same period as last year. The increase in other income is primarily due to the gain recognized on the decrease in the fair value of the warrant liability recorded on the balance sheet. The gain on the warrant liability was offset by a loss recognized on the issuance of common stock and warrants. The Company also experienced a slight increase in interest expense during the quarter due to the increased borrowing from a related party during the second quarter of 2011.

On June 30, 2011, the Company had total current liabilities of $208,753. Current liabilities increased by $156,136 compared to year end December 31, 2010 primarily due to the increase in accounts payable and short term note to a related party.

Long term liabilities decreased during the quarter due to a decrease in the fair value of the stock purchase warrants issued in private placements completed during 2010. The Company has accounted for the warrants as derivative instruments which have been valued using a Black Scholes fair value model. The Company recognized a long-term liability of $1,111,217 related to the warrants at the date of issuance and has recognized a gain of $816,206 on the warrant during the six months ended June 30, 2011, as a result of a decrease in fair value of the warrants between December 31, 2010, and the end of the quarter.

For the six month period ended June 30, 2011, net cash used by operating activities was $393,348, consisting of our year to date net income of $432,429, less non non-cash expenses for depreciation, amortization of deferred financing costs, changes in the fair value of the warrant liability and accounts payable and other accrued liabilities. This compares with $393,503 used by operating activities for the six months ended June 30, 2010. There were no cash flows from investing activities, and $110,000 provided by financing activities for the six month period ended June 30, 2011.

Liquidity and Capital Resources:

We are an exploration stage company and have incurred losses since our inception. The notes to our financial statements for the year ended December 31, 2010, together with the opinion of our independent auditors included going concern explanatory paragraphs.

Management actions in addressing the going concern:

Management believes that the Company currently has cash sufficient to support an exploration program as outlined in Managements Discussion & Analysis above based on the following:

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The Company currently has approximately $51,860 of cash in our bank accounts, which is sufficient to fund non-exploration activities and administrative expenses for the next three months while the IBK Capital financing is put in place.

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On July 22, 2011, the Company engaged IBK Capital in Toronto, Ontario Canada, to raise up to Cdn$3M in an non-brokered private placement. The Company paid $12,500 in fees. Terms of the placement will be determined after IBK Capital completes their due diligence on the Company, which should take approximately 60 days. There will be finder`s fees associated with the financing.

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On June 30, 2011, the Company sold one million units in a private placement to one individual. The units were priced at Cdn $0.17 per unit, and consisted of one share of common stock, and one full warrant to purchase a full share of common stock at Cdn$0.20 for two years. If the Company`s stock closes above Cdn$0.25 for a five consecutive days, then the Company has the right to force the holder to exercise the warrants.

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On April 4, 2011, the Board unanimously authorized a Private Placement for the sale of common stock purchase warrants convertible to common stock at a price to be determined at a later date by the President in the best interests of the Company. This Private Placement will commence near the middle of May 2011.

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Management and the Board have not undertaken plans or commitments that exceed the cash available to the Company. We do not include in this consideration any additional investment funds mentioned above.

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Management will manage expenses of all types so as to not exceed the on-hand cash resources of the Company at any point in time, now or in the future.

Management is committed to proper management and spending restraint such that the Company is believed to be able to weather current disruptions in investment markets and continue to attract investment dollars in coming months and years.

The Company s future liquidity and capital requirements will depend on many factors, including timing, cost and progress of its exploration efforts, evaluation of, and decisions with respect to, its strategic alternatives, and costs associated with the regulatory approvals. Additional financing may be required to meet our exploration and corporate expenses incurred during the next 12 months.

The Company owns outright the South Mountain Mine property in Owyhee County, Idaho that consists of 17 patented mining claims totaling approximately 326 acres, for which Management has recorded the property in the Company s financial statements for $357,497.

The Company owns outright three 4-wheel drive vehicles that are used for exploration and project work, as well as miscellaneous field equipment and office furniture. It also leases office space in Garden City, Idaho.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation was carried out under the supervision of, and with the participation of, the Company s Management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures (as defined in Rule 13a 15(e) and Rule 15d 15(e) of the Securities and Exchange Act of 1934, as amended). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that as of the end of the period covered by this report, the Company s disclosure controls and procedures were adequately designed and effective in ensuring that information required to be disclosed by the Company in its reports that it files or submits to the SEC under the Exchange Act, is recorded, processed, summarized and reported within the time period specified in applicable rules and forms.

Our Chief Executive Officer and Chief Financial Officer have also determined that the disclosure controls and procedures are effective to ensure that material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our Management, including the Company s Chief Executive Officer and Chief Financial Officer, to allow for accurate required disclosure to be made on a timely basis.

Changes in Internal Controls over Financial Reporting

During the quarter covered by this report, there have been no changes in the Company s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Not required for smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Removed and Reserved.

Item 5. Other Information

Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders was held on July 19, 2011. As of the record date of May 27, 2011, there were 27,230,049 shares outstanding, of which there were at least 18,990,275 shares present, representing 69.7%% of the outstanding shares as of the record date.

The following proposals were adopted by the margins indicated:

1. To elect Directors.

				Number of Shares
	For	**Against**	**Abstain**	**Broker non-vote**
E. James Collord	13,955,878	88,650	1,015,000	3.930,747
Eric T. Jones	14,018,478	26,050	1,015,000	3.930,747
Pete Parsley	14,018,378	26,150	1,015,000	3.930,747
Dr. Robin S. McRae	14,015,478	28,550	1,015,500	3.930,747
Edward D. Fields	14,018,128	26,400	1,015,000	3.930,747
R. Llee Chapman	14,016,328	27,700	1,015,500	3.930,747
Douglas J. Glaspey	13,957,828	87,200	1,014,500	3.930,747

2. To ratify and approve the Stock Option Plan.

For	13,839,803
Against	205,325
Abstain	1,014,400
Broker non-vote	3,930,747

3. To ratify Decoria, Maichel & Teague, P.S. as independent auditors for fiscal year 2011.

For	18,867,376
Against	110,392
Abstain	12,507
Broker non-vote	0

Mine Safety Disclosure

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. During its second quarter ended June 30, 2011, the Company had no such specified health and safety violations, orders or citations, related assessments or legal actions, mining-related fatalities, or similar events in relation to the Company s United States operations requiring disclosure pursuant to Section 1503(a) of the Dodd-Frank Act.

Item 6. Exhibits

(a)

Documents which are filed as a part of this report:

Exhibits:

31.1 Certification Required by Rule 13a-14(a) or Rule 15d-14(a). Collord

31.2 Certification Required by Rule 13a-14(a) or Rule 15d-14(a). Jones

32.1 Certification required by Rule 13a-14(a) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. Collord

32.2 Certification required by Rule 13a-14(a) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350. Jones

SIGNATURES

Pursuant to the requirements of Section 13 or 15(b) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf of the undersigned, thereunto duly authorized.

THUNDER MOUNTAIN GOLD, INC.

By /s/ E. James Collord

E. James Collord

President and Chief Executive Officer

Date: August 16, 2011

Pursuant to the requirements of the Securities Act of 1934 this report signed below by the following person on behalf of the Registrant and in the capacities on the date indicated.

By /s/ Eric T. Jones

Eric T. Jones

Secretary/Treasurer and Chief Financial Accounting Officer

Date: August 16, 2011

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