

THUNDER MOUNTAIN GOLD INC
Form 10-Q
November 13, 2009

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, 2009

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 incorporation or organization) (IRS identification No.)

5248 W. Chinden
Boise, ID

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)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 November 11, 2009: 15,433,469

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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, 2009 and December 31, 2008*

| | (Unaudited) | |
|--|-----------------------|----------------------|
| | September 30, 2009 | December 31, 2008 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 18,949 | \$ 203,133 |
| Prepaid expenses and other assets | 29,013 | 36,955 |
| Total current assets | 47,962 | 240,088 |
| Investments | - | 36 |
| Property, plant, equipment, and mining claims: | | |
| South Mountain Mines property | 357,497 | 357,497 |
| Equipment, net of accumulated depreciation | 41,161 | 57,851 |
| Mining leaseholds | 41,510 | 19,500 |
| Total property, plant, equipment and mining leaseholds | 440,168 | 434,848 |
| Total assets | \$ 488,130 | \$ 674,972 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 60,383 | \$ 73,144 |
| Deferred salaries | 21,000 | - |
| Related party note payable | 74,875 | - |
| Total current liabilities | 156,258 | 73,144 |
| Stockholders' equity: | | |
| Preferred stock; \$0.0001 par value, 5,000,000 | | |

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| | | |
|---|-------------------|-------------------|
| shares authorized; no shares issued or outstanding | - | - |
| Common stock; \$0.001 par value; 200,000,000 shares authorized; 15,433,469 and 14,764,580 shares issued and outstanding, respectively | 15,434 | 14,765 |
| Additional paid-in capital | 1,679,423 | 1,561,492 |
| 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 | (1,125,992) | (737,436) |
| Total stockholders equity | 331,872 | 601,828 |
| Total liabilities and stockholders' equity | \$ 488,130 | \$ 674,972 |

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

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

| | Three Months Ended | | Nine Months Ended | | During Exploration Stage |
|--|--------------------|-----------|-------------------|-----------|----------------------------|
| | September 30, | | September 30, | | 1991 |
| | 2009 | 2008 | 2009 | 2008 | Through September 30, 2009 |
| Revenue: | | | | | |
| Royalties, net | \$ - | \$ - | \$ - | \$ - | 328,500 |
| | - | - | - | - | |
| Gain on sale of property and mining claims | - | - | - | - | 2,576,112 |
| Total revenue | - | - | - | - | 2,904,612 |
| Expenses: | | | | | |
| Exploration expense | 16,213 | 161,450 | 57,285 | 209,874 | 1,185,224 |
| Legal and accounting | 25,424 | 56,783 | 79,249 | 118,906 | 543,515 |
| Management and administrative | 84,254 | 81,704 | 293,361 | 337,918 | 1,506,276 |
| Directors' fees and Professional services | - | - | - | 2,646 | 631,691 |
| Depreciation and depletion | 5,625 | 5,241 | 16,690 | 14,779 | 106,682 |
| Total expenses | 131,516 | 305,178 | 446,585 | 684,123 | 3,973,388 |
| Other income (expense): | | | | | |
| Interest and dividend income | 2 | 2,841 | 39 | 6,133 | 283,714 |
| Interest expense | (1,812) | - | (1,851) | - | (29,557) |
| Gain on sale of securities | - | - | - | - | 166,116 |
| Adjustments for impairments of investments | - | - | - | - | (52,299) |
| | | | | | 367,974 |
| Total other income (expense) | (1,810) | 2,841 | (1,812) | 6,133 | |
| Net loss before income taxes | (133,326) | (302,337) | (448,397) | (677,990) | (700,802) |
| (Provision) Benefit for income taxes | - | - | 59,841 | - | (151,496) |
| | (133,326) | (302,337) | (388,556) | | (852,298) |

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| | | | | | |
|--|------------------|---------------------|---------------------|---------------------|-----------------------|
| Net loss | | | | (677,990) | |
| Treasury stock cancelled | - | - | | | (273,694) |
| | \$ | | | | |
| Comprehensive Income (loss) | (133,326) | \$ (302,337) | \$ (388,556) | \$ (677,990) | \$ (1,125,992) |
| Net loss per common share | \$ | | | | |
| | 0.01 | \$ | 0.02 | \$ | 0.03 |
| | | | | \$ | 0.05 |
| | | | | | \$ |
| | | | | | 0.10 |
| Weighted average common shares outstanding-basic | 15,041,769 | 13,577,107 | 14,881,384 | 13,431,811 | 11,411,150 |

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)**

| | | | During Exploration |
|---|-------------------|--------------|--------------------|
| | Nine Months Ended | | Stage |
| | September 30, | | 1991 |
| | 2009 | 2008 | Through |
| | | | September 30, |
| | | | 2009 |
| Cash flows from operating activities: | | | |
| Net loss | \$ (388,556) | \$ (677,990) | \$ (852,298) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Depreciation and depletion | 16,690 | 14,779 | 106,682 |
| Common stock, warrants, and options issued for services | 27,050 | 20,200 | 166,404 |
| Amortization of directors fees prepaid with common stock | - | - | 53,400 |
| Gain on sale of mining claims | - | - | (2,576,112) |
| Gain on sale of other assets | - | - | (160,441) |
| Impairment loss on securities | 36 | - | 52,335 |
| Change in: | | | |
| Prepaid expenses | 7,942 | (35,770) | (29,013) |
| Federal and state income tax refunds receivable | - | 194,581 | - |
| Accounts payable | (12,761) | 74,810 | 45,815 |
| Deferred salaries | 21,000 | - | 21,000 |
| Receivables | - | - | 124,955 |
| Net cash used by operating activities | (328,599) | (409,390) | (3,047,273) |
| 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 | (22,010) | - | (41,510) |
| Purchase of equipment | - | (13,826) | (168,577) |
| Proceeds from disposition of investments | - | - | 642,645 |
| Proceeds from disposition of equipment | - | - | 49,310 |
| Net cash provided (used) by investing activities | (22,010) | (13,826) | 2,345,953 |

Cash flows from financing activities:

| | | | |
|---|------------------|-------------------|------------------|
| Proceeds from stock subscription | 76,000 | - | 76,000 |
| Proceeds from sale of common stock, net | - | 522,000 | 707,000 |
| Proceeds from exercise of stock options | 15,550 | - | 73,350 |
| Acquisition of treasury stock | | - | (376,755) |
| Borrowing on related party note payable | 95,000 | - | 336,500 |
| Payments on related party note payable | (20,125) | - | (261,625) |
| Borrowing on line-of-credit | | - | 188,821 |
| Repayments on line-of-credit | | - | (188,821) |
| Net cash provided by financing activities | 166,425 | 522,000 | 554,470 |
| Net decrease in cash and cash equivalents | (184,184) | (98,784) | (146,850) |
| Cash and cash equivalents, beginning of period | 203,133 | 499,777 | 165,799 |
| Cash and cash equivalents, end of period | \$ 18,949 | \$ 598,561 | \$ 18,949 |

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, 2009 | |
|---|------------------------------------|------|--|-----------|
| | 2009 | 2008 | | |
| Non-cash investing and financing activities: | | | | |
| Stock issued to acquire equipment from related party | \$ | - | \$ 11,850 | \$ 11,850 |
| Stock issued for mining contract | \$ | - | \$ - | \$ 50,000 |
| Stock issued for payment of accounts payable | \$ | - | \$ - | \$ 29,250 |
| Stock issued for prepaid directors fees | \$ | - | | |