

THUNDER MOUNTAIN GOLD INC
Form 10-Q
May 09, 2018

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 March 31, 2018

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.

Edgar Filing: THUNDER MOUNTAIN GOLD INC - Form 10-Q

(Exact name of Registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

91-1031015
(IRS identification No.)

11770 W President Dr. STE F
Boise, Idaho
(Address of Principal Executive Offices)

83713-8986
(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, a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act) or an emerging growth company

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 April 27, 2018: 57,633,879

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

3

Item 1: Financial Statements

3

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

13

Item 3. Quantitative and Qualitative Disclosures about Market Risk

20

Item 4. Controls and Procedures

21

PART II OTHER INFORMATION

22

Item 1. Legal Proceedings.

22

Item 1A. Risk Factors.

22

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

22

Item 3. Defaults Upon Senior Securities.

22

Item 4. Mine Safety Disclosures

22

Item 5. Other Information

22

Item 6. Exhibits

23

SIGNATURES

24

PART I FINANCIAL INFORMATION**Item 1: Financial Statements****Thunder Mountain Gold, Inc.****Consolidated Balance Sheets***March 31, 2018 and December 31, 2017*

	March 31, 2018 (Unaudited)	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 125,278	\$ 36,454
Prepaid expenses and other assets	37,203	28,473
Total current assets	162,481	64,927
Property and Equipment:		
Land	280,333	280,333
Equipment, net of accumulated depreciation	94,038	106,646
Total property and equipment	374,371	386,979
Mineral interests (Note 3)	479,477	479,477
Total assets	\$ 1,016,329	\$ 931,383
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 104,899	\$ 92,311
Accrued related party liability (Note 6)	181,313	181,313
Accrued interest payable to related parties (Note 5)	39,146	36,949
Deferred payroll (Note 6)	949,500	871,500
Related parties notes payable, net of discount (Note 5)	126,576	217,688
Total current liabilities	1,401,434	1,399,761
Accrued reclamation costs	65,000	65,000

Total liabilities	1,466,434	1,464,761
Commitments and Contingencies (Notes 2 and 3)		
Stockholders' equity (deficit):		
Preferred stock; \$0.0001 par value, 5,000,000 shares authorized;		
no shares issued or outstanding	-	-
Common stock; \$0.001 par value; 200,000,000 shares authorized, 57,145,579 and 55,095,579, respectively shares issued		
and outstanding	57,146	55,096
Additional paid-in capital	5,742,488	5,457,538
Less: 11,700 shares of treasury stock, at cost	(24,200)	(24,200)
Accumulated deficit	(6,399,229)	(6,195,923)
Total Thunder Mountain Gold, Inc stockholders' equity (deficit)	(623,795)	(707,489)
Noncontrolling interest in Owyhee Gold Trust (Note 3)	173,690	174,111
Total stockholders' equity (deficit)	(450,105)	(533,378)
Total liabilities and stockholders' equity (deficit)	\$ 1,016,329	\$ 931,383

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

Thunder Mountain Gold, Inc.**Consolidated Statements of Operations (Unaudited)**

	Three Months Ended March 31,	
	2018	2017
Operating expenses:		
Exploration	\$ 57,616	\$ 49,151
Legal and accounting	27,561	30,504
Management and administrative	91,127	135,808
Depreciation	12,608	22,570
Total operating expenses	188,912	238,033
Other income (expense):		
Interest expense, related parties	(15,097)	(3,233)
Miscellaneous income (expense)	703	(62)
Total other income (expense)	(14,394)	(3,295)
Net Loss	(203,306)	(241,328)
Net Loss noncontrolling interest in Owyhee Gold Trust	-	-
Net Loss Thunder Mountain Gold, Inc.	\$ (203,306)	\$ (241,328)
Net Loss per common share-basic and diluted	\$ Nil	\$ Nil
Weighted average common shares outstanding-basic and diluted	55,932,246	54,680,579

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

Thunder Mountain Gold, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net loss	\$ (203,306)	\$ (241,328)
Adjustments to reconcile net loss to net cash used by		
operating activities:		
Depreciation	12,608	22,570
Stock options issued for services	-	53,557
Amortization of related party notes payable discount	8,888	-
Change in:		
Prepaid expenses and other assets	(8,730)	13,519
Accounts payable and other accrued liabilities	12,588	(23,503)
Accrued interest payable to related parties	6,209	3,234
Deferred payroll	78,000	78,000
Net cash used by operating activities	(93,743)	(93,951)
Cash flows from financing activities:		
Proceeds from sale of common stock	182,988	-
Distribution to noncontrolling interest	(421)	-
Net cash provided by financing activities	182,567	-
Net increase (decrease) in cash and cash equivalents	88,824	(93,951)
Cash and cash equivalents, beginning of period	36,454	108,184
Cash and cash equivalents, end of period	\$ 125,278	\$ 14,233
Noncash financing and investing activities:		
Common stock issued for payment of related party note payable and accrued interest payable	\$ 104,012	\$ -

The accompanying notes are an integral part of these 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, which continue today.

Basis of Presentation and Going Concern

These unaudited interim consolidated financial statements have been prepared by the management of the Company in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated 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 consolidated financial statements have been included.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions, which could have a material effect on the reported amounts of the Company's financial position and results of operations. Operating results for the three-month period ended March 31, 2018 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2018.

For further information refer to the financial statements and footnotes thereto in the Company's audited financial statements for the year ended December 31, 2017 as filed with the Securities and Exchange Commission.

The accompanying consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. The Company has historically incurred losses and does not have sufficient cash at March 31, 2018 to fund normal operations for the next 12 months. The Company has no recurring source of revenue 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. 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/or debt and the eventual profitable exploitation of its mining properties. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company is currently investigating a number of alternatives for raising additional capital with potential investors, lessees and joint venture partners.

The consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. If the going concern basis was not appropriate for these financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

Reclassifications

Certain reclassifications have been made to conform prior year's data to the current presentation. These reclassifications have no effect on previously reported operations, stockholders' equity (deficit) or cash flows.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company; its wholly owned subsidiaries, Thunder Mountain Resources, Inc. and South Mountain Mines, Inc.; and Owyhee Gold Trust, LLC (OGT) a company in which the Company has majority control. Intercompany accounts are eliminated in consolidation.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. The more significant areas requiring the use of management estimates and assumptions include the carrying value of properties and mineral interests, environmental remediation liabilities, deferred tax assets, stock based compensation and the fair value of financial instruments. Management's estimates and assumptions are based on historical experience and other assumptions believed to be reasonable under the circumstances. Actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of the balance sheet and statement of cash flows, the Company considers all highly liquid investments with a maturity of three months or less when purchased to be a cash equivalent.

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.

Fair Value Measurements

When required to measure assets or liabilities at fair value, the Company uses a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used. The Company determines the level within the fair value hierarchy in which the fair value measurements in their entirety fall. The categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Level 1 uses quoted prices in active markets for identical assets or liabilities, Level 2 uses significant other observable inputs, and Level 3 uses significant unobservable inputs. The amount of the total gains or losses for the period are included in earnings that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date. The Company has no financial assets or liabilities that are adjusted to fair value on a recurring basis.

Financial Instruments

The Company's financial instruments include cash and cash equivalents and related party notes payable the carrying value of which approximates fair value based on the nature of those instruments.

Mineral Interests

The Company capitalizes costs for acquiring mineral interests 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 based on 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.

Investments in Joint Venture

The Company's accounting policy for joint ventures is as follows:

1.

The Company uses the cost method when it does not have joint control or significant influence in a joint venture. Under the cost method, these investments are carried at cost. If other than temporary impairment in value is determined, it would then be charged to current net income or loss.

2.

If the Company enters into a joint venture in which there is joint control between the parties or the Company has significant influence, the equity method is utilized whereby the Company's share of the venture's earnings and losses is included in the statement of operations as earnings in joint ventures and its investments therein are adjusted by a similar amount. If other than temporary impairment in value is determined, it would then be charged to current net income or loss.

3.

In a joint venture where the Company holds more than 50% of the voting interest and has significant influence, the joint venture is typically consolidated with the presentation of non-controlling interest. In determining whether significant influences exist, the Company considers its participation in policy-making decisions and its representation on the venture's management committee. See Note 3 regarding the Company's investment in Owyhee Gold Trust, LLC.

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 would record the fair value of an asset retirement obligation as a liability in the period in which the Company incurred a legal obligation for the retirement of tangible long-lived assets. A corresponding asset would also be 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

Share-based payments to employees and directors, including grants of employee stock options, are measured at fair value and expensed in the statement of operations over the vesting period.

Recent Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-15 Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The update provides guidance on classification for cash receipts and payments related to eight specific issues. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. The adoption of this update on January 1, 2018 had no impact on the Company's consolidated financial statements

In November 2016, the FASB issued ASU No. 2016-18 Statement of Cash Flows (Topic 230): Restricted Cash. The update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with

early adoption permitted. The adoption of this update on January 1, 2018 had no impact on the Company's consolidated financial statements

In January 2017, the FASB issued ASU No. 2017-01 Business Combinations (Topic 805): Clarifying the Definition of a Business. The update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The update is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company will apply the provisions of the update to potential future acquisitions occurring after January 1, 2018.

Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent pronouncements that are not anticipated to have an impact on or are unrelated to its financial condition, results of operations, cash flows or disclosures.

Net Income (Loss) Per Share

The Company is required to have dual presentation of basic earnings per share (EPS) and diluted EPS. 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 options and warrants to purchase the Company's common stock. As of March 31, 2018, and 2017, potentially dilutive common stock equivalents not included in the calculation of diluted earnings per share as their effect would have been anti-dilutive are:

<u>For quarter ended March 31,</u>	2018	2017
Stock options	4,700,000	5,115,000
Warrants	1,025,000	
Total possible dilution	5,725,000	5,115,000

2.

Commitments

The Company has three lease arrangements with land owners that own land parcels adjacent to the Company's South Mountain patented and unpatented mining claims. The leases were originally for a seven-year period, with annual payments of \$20 per acre. The leases were renewed for an additional 10 years at \$30 per acre paid annually; committed payments are listed in the table below. The lease payments have no work requirements.

	Annual Payment
Acree Lease (June)	\$ 3,390
Lowry Lease (October)	11,280
Idaho South Mountain LLC Lease (April)	1,680
Total	\$16,350

On March 21, 2011, the Company signed an exploration agreement with Newmont Mining Corporation (Newmont) 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 South Mountain 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. On October 1, 2015, the Company signed an Amendment with Newmont USA Limited that modifies and extends the original Trout Creek Joint Exploration Agreement. The extension allows the Company modified work commitments on the project reducing the annual amount to \$150,000 of work obligations by October 31, 2016. On October 27, 2016, the Company decided to terminate the exploration agreement with Newmont. The Company still retains 78 unpatented claims (1,600 acres) in Trout Creek of the target area. The Company pays annual fees to BLM of \$3,255 and to Lander County of \$940 in maintaining the property.

3.

South Mountain Project

On November 8, 2012, the Company, through its wholly-owned subsidiary South Mountain Mines, Inc., (SMMI), and Idaho State Gold Company II, LLC (ISGC II) formed the Owyhee Gold Trust, LLC, (OGT) a limited liability company. In 2015 and through November 2016, disagreements between SMMI and ISGC II resulted in litigation about the status of OGT. In November 2016, the parties entered into judicially-confirmed Settlement Agreement and Release that resolved outstanding disagreements and provided for a new operating agreement by which SMMI obtained an option to acquire 100% of OGT 's interest in the South Mountain Project upon payment of \$5 million.

Under the new OGT operating agreement, SMMI is the sole manager and pays all expenses for exploration and development of the property. SMMI and ISGC II have 75% and 25% ownership, respectively, in OGT. SMMI and OGT have a separate Mining Lease with Option to Purchase (Lease Option) under which SMMI has an option to purchase the South Mountain mineral interest for a capped \$5 million less net returns royalties paid through the date of exercise. The Lease Option expires in November 2026. If SMMI exercises the option, the option payment \$5 million less advance royalties will be distributed 100% by OGT to ISGC II. Under the Lease Option, SMMI pays a \$5,000 net returns royalty to OGT annually on November 4 which is distributed to ISGC II.

With the Settlement Agreement, the Company established 75% ownership and full management of the property. OGT 's financial information is included 100% in the Company 's consolidated financial statements and reflects ISGC II 's 25% non-controlling interest. Changes in the non-controlling interest equity balance is as follows:

	Three Months Ended			
	March 31,			
	2018		2017	
Balance at beginning of period	\$	174,111	\$	178,702
Distribution to non-controlling interest		(421)		-
Net income (loss) attributable to noncontrolling interest		-		-
Balance at end of period	\$	173,690	\$	178,702

4. Property and Equipment

The Company 's property and equipment are as follows:

March 31,

		2018		December 31, 2017
Vehicles	\$	22,441	\$	22,441
Buildings		65,071		65,071
Construction Equipment		36,447		36,447
Mining Equipment		58,646		58,646
		182,605		182,605
Accumulated Depreciation		(88,567)		(75,959)
		94,038		106,646
Land		280,333		280,333
Total Property and Equipment	\$	374,371	\$	386,979

5. Related Parties Notes Payable

At March 31, 2018 and December 31, 2017, the Company had notes payable balances of \$56,768 and \$69,808 with Eric Jones, the Company's President and Chief Executive Officer and Jim Collard, the Company's Vice President and Chief Operating Officer, respectively. These notes, as amended, are due December 31, 2018.

On October 25, 2017 the Company received \$100,000 from Paul Beckman, a director of the Company, under a convertible promissory note. Terms of the note called for interest at 1% per month, with the entire balance of principal and interest due in full on April 24, 2018. The convertible promissory note contained the option for the holder to convert any portion of the principal and interest into Company common stock at \$0.15 per common share (a total of 666,667 shares).

On that date, the market price for the Company's common stock was \$0.17 per common share which exceeded the conversion price. As such, the convertible note contained a beneficial conversion feature of \$13,333 which was recognized as a discount on the note on the date of issuance. The discount was being amortized over the note term using the straight-line method, which approximates the effective interest method.

On February 26, 2018, Mr. Beckman participated in the Company's Private Placement (see Note 7) and acquired 1,000,000 Units for \$140,000. A portion of this amount was in exchange for retirement of Mr. Beckman's convertible note payable of \$100,000 and accrued interest payable of \$4,012. Upon the retirement of Mr. Beckman's convertible promissory note, the Company recognized the unamortized portion of the discount of \$5,100 as interest expense.

After this transaction, the Company has no remaining obligation under the convertible note agreement with Mr. Beckman.

During March 31, 2018 and 2017, the Company recognized a total of \$15,097 and \$3,233, respectively, in interest expense for all of these notes discussed above. Accrued interest payable was \$39,146 and \$36,949 at March 31, 2018 and December 31, 2017, respectively.

6.

Related Party Transactions

In addition to the related parties notes payable discussed in Note 5, the Company had the following related party transactions.

Three of the Company's officers are deferring compensation for services. The officers' balances at March 31, 2018 are as follows: Eric Jones, President and Chief Executive Officer - \$380,000 (December 31, 2017 - \$350,000), Jim Collord, Vice President and Chief Operating Officer - \$380,000 (December 31, 2017 - \$350,000), and Larry Thackery, Chief Financial Officer - \$189,500 (December 31, 2017 - \$171,500).

The Company engages Baird Hanson LLP (Baird), a company owned by one of the Company's directors, to provide legal services. Baird had no legal expenses during the three months ended March 31, 2018 and the year ended December 31, 2017. At March 31, 2018 and December 31, 2017, the balance due to Baird is \$181,313.

During 2017, Jim Collord and Eric Jones advanced funds to the Company for operating expenses. On November 22, 2017, Mr. Collord's advance of \$5,035 was paid in full. The balance of Mr. Jones' advance at both December 31, 2017 and March 31, 2018 was \$10,971 and is included in accounts payable and other accrued liabilities on the consolidated balance sheet.

7.

Stockholders' Equity

The Company's common stock has a par value of \$0.001 with 200,000,000 shares authorized. The Company also has 5,000,000 authorized shares of preferred stock with a par value of \$0.0001.

On February 20, 2018, the Board of Directors approved a Private Placement financing of up to \$750,000 from the sale of equity units at a price of \$0.14 per unit. Each unit consists of one share of the Company's common stock

and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of common stock of the Company at a price of \$0.20 for a period of 12 months. Through March 31, 2018, the Company has sold Units representing a total of 2,050,000 in shares of common stock and 1,025,000 common stock purchase warrants for total proceeds of \$287,000. Of this amount, \$182,988 was received in cash and \$104,012 was in exchange for retirement of Mr. Beckman's convertible note payable and related accrued interest payable. See Note 5.

8.

Stock Options

In March 2017, the Company granted 600,000 stock options to three directors of the Company. The options are exercisable on or before March 31, 2022 at a price of \$0.10 for 200,000 shares, and at a price of \$0.09 for the remaining 400,000 shares. The fair value of the options was determined to be \$53,557 using the Black Scholes model. The options were fully vested upon grant and the entire fair value was recognized as compensation expense during the three months ended March 31, 2017. No options were issued during the three months ended March 31, 2018.

The fair value of each option award granted in March 2017 was estimated on the date of the grant using the assumptions noted in the following table:

Number of Options	600,000
Stock price	\$0.09 - \$0.10
Exercise price	\$0.09 - \$0.10
Expected volatility	235.5%
Expected dividends	-
Expected terms (in years)	5.0
Risk-free rate	1.96%

The following is a summary of the Company's options issued under the Stock Option Incentive Plan:

	Shares	Weighted Average Exercise Price
Outstanding and exercisable at December 31, 2016	4,515,000	\$0.08
Granted	600,000	0.09
Exercised	(415,000)	0.10
Outstanding and exercisable at December 31, 2017	4,700,000	0.09

Granted	-	-
Exercised	-	-
Outstanding and exercisable at March 31, 2018	4,700,000	\$0.09

The average remaining contractual term of the options outstanding and exercisable at March 31, 2018 was 2.36 years. As of March 31, 2018, options outstanding and exercisable had an aggregate intrinsic value of approximately \$434,000 based on the Company's stock price of \$0.17.

9. Subsequent Events

On April 27, 2018 the Company closed its Private Placement (see Note 7). Subsequent to March 31, 2018, an additional 500,000 units were sold and the Company received proceeds of \$70,000. In total, 2,550,000 units were sold representing 2,550,000 shares of common stock and 1,275,000 warrants to purchase common stock for \$0.20 over the next 12 months. Total proceeds were \$357,000.

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

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.

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.

The Company's financial position remained unchanged during the first three months of 2018, as metals commodity markets seem to have improved during this period. Junior mining equity markets may strengthen periodically in response to favorable price movements in certain metals during 2017 and 2018, providing some companies with the opportunity to take advantage of short periods of positive sentiment in the market. However, until capital markets in the Junior Mining space become favorable, equity financing in the mining industry will remain challenging. Analyst estimates for the remainder of 2018 are for stabilizing precious metals markets, along with stable and improving prices for zinc, copper and lead.

The Company operated on a limited budget during 2017 and into 2018, funding the maintenance of the South Mountain Project while continuing to search for additional financing to advance the Project. The Company's plan of operation for the next twelve months, subject to business conditions, will be to continue to develop the South Mountain Project and complete an industry standard Feasibility Study. The completion of any such study is highly dependent on the ability of the Company to secure additional financing.

Work on the Trout Creek Project will continue in 2018, although the South Mountain Project will remain the focus. At the Trout Creek Project, the Company plans to drill pre-defined drill targets that were established during the Joint Exploration Agreement with Newmont Mining. The data developed from the drilling will be analyzed and prepared

for further exploration in the 2018/2019 season. Additionally, the Company will continue geophysical interpretation of the valley area and explore the possibility of combining the Company's land position with another entity exploring this trend.

South Mountain Project, Owyhee County, Idaho

The land package at South Mountain consists of a total of approximately 1,518 acres, consisting of (i) 17 patented claims (326 acres) and 360 acres of private land; (ii) lease on private ranch land (542 acres); and, (iii) 21 unpatented lode mining claims on BLM managed land (290 acres). All holdings are located in the South Mountain Mining District, Owyhee County, Idaho.

The property is located approximately 70 air miles southwest of Boise, Idaho and approximately 24 miles southeast of Jordan Valley, Oregon. It is accessible by highway 95 driving south from the Boise area to Jordan Valley Oregon, then by traveling southeast approximately 22 miles back into Idaho, via Owyhee County road that is dirt and improved to within 4 miles of historic mine site. The last 4 miles up the South Mountain Mine road are unimproved dirt road. The property is accessible year-round to within 4 miles of the property, where the property is accessible from May thru October without plowing snow. There is power distribution within 4 miles of the site as well. The climate is considered high desert. The Company has water rights on the property, and there is a potable spring on the property that once supplied water to the main camp.

Property History

The limited historic production peaked during World War II when, based 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.

Metal	Grade	Total Metal
Gold	0.058 opt	3,120 ozs
Silver	10.6 opt	566,440 ozs
Copper	1.4%	1,485,200 lbs
Lead	2.4%	2,562,300 lbs
Zinc	14.5%	15,593,100 lbs

Anaconda Crude Ore Shipments: 1941-1953 Total Tons: 53,653

South Mountain Mines Inc. (an Idaho Corporation) owned the patented claims from 1975 to the time the Company purchased the entity in 2007. They conducted extensive exploration work including extending the Sonneman Level by approximately 1,500 feet to intercept the down-dip extension of the Texas sulfide mineralization mined on the Laxey Level approximately 400 feet up-dip from the Sonneman. High grade sulfide mineralization was intercepted and confirmed on the Sonneman Extension. In 1985 South Mountain Mines Inc. completed a feasibility study based on historic and newly developed ore zones exposed in their underground workings and drilling. This resulted in a historic resource of approximately 470,000 tons containing 23,500 ounces of gold, 3,530,000 ounces of silver, 8,339,000 pounds of copper, 13,157,000 pounds of lead and 91,817,000 pounds of zinc. Although they determined positive economics, and that the resource was still open at depth with a large upside potential, the project was shut down and placed into care and maintenance.

In 2008, the Company contracted Kleinfelder, Inc., a nationwide engineering and consulting firm, to complete a technical report Resources Data Evaluation, South Mountain Property, South Mountain Mining District, Owyhee County, Idaho . The technical report was commissioned by Thunder Mountain Resources, Inc. to evaluate all the existing data available on the South Mountain property. Kleinfelder utilized a panel modeling method using this data to determine potential mineralized material remaining and to make a comparison with the resource determined by South Mountain Mines in the mid-1980s.

Additional drilling and sampling will be necessary before the resource can be classified as a mineable reserve, but Kleinfelder's calculations provided a potential resource number that is consistent with South Mountain Mines' (Bowes 1985) reserve model.

Late in 2009, the Company contracted with Northwestern Groundwater & Geology to incorporate all the new drill and sampling data into an NI 43-101 Technical Report. This report was completed as part of the Company's dual listing on the TSX Venture Exchange in 2010.

In January of 2018, the Company engaged Hard Rock Consulting LLC from Denver Colorado to update the South Mountain Project 43-101. When completed, the updated NI 43-101 can be reviewed on the Company's website at www.thundermountaingold.com, or on www.SEDAR.com.

2012 through 2017 Highlights of South Mountain drilling and development work:

The assay results from 2012 through 2014 pre-development work confirm that there is significant upside to the resource. The results further reinforce the exceptional continuity of high-grade zinc/silver mineralization at South Mountain along the strike of the well-mineralized trend. Both the upper Texas and the DMEA ore shoots were drilled to define the continuity of up- and down-dip sulfide mineralization. Although additional definition drilling is necessary, positive results showed excellent grades and continuity. Additionally, the Sonneman and Laxey levels of the mine were opened and refurbished, with 2,700 feet of 14 X 14-foot development-ready drifts and drill stations developed on the Sonneman level, along with 720 feet of 10 X 10 drift rehabilitation on the Laxey Level.

Underground core holes DM2UC13-13 through DM2UC13-18 have further confirmed the continuity of the DMEA down-dip, enabling the connection between the open visible massive sulfide on the Sonneman, with the earlier core hole intercept drilled some 400 feet below the Sonneman Level from the surface.

Management is very encouraged with the positive drilling results at South Mountain. With the drift rehabilitation underground, tremendous down dip potential of these high-grade zinc, silver, gold, copper, and lead zones, has emerged, with polymetallic mineralization that could be incorporated into the early years of the South Mountain mine plan. Given the associated economic upside of such a scenario, the Company plans to aggressively delineate the full extent of the mineralization at South Mountain.

Figure 2. Typical long section along strike showing the orientation of the massive sulfide replacement zones at South Mountain, along with and in relation to the two main drifts.

Assays show that rib sampling on the Sonneman reported during the development of the Sonneman Level during 2012-2013 several massive sulfide mineralized zones were mined through. **HIGHLIGHT: Rib Sample Results on Sonneman: 80 Feet of 21.9% Zinc, 0.147 opt Gold, 4.76 opt Silver, 0.38% Copper and 0.51% Lead.**

Detailed rib sampling along some of these massive sulfide zones yielded the following results:

Location / Ore Shoot	Mineralized Length (Feet)	Drift Station (ft)	Gold (ozs/ton)	Silver (ozs/ton)	Zinc	Copper	Lead
DMEA 2	80	2100	0.147 opt	4.76 opt	21.9%	0.38%	0.51%
DMEA 3	15	2200	0.354 opt	5.63 opt	20.2%	2.71%	0.60%
Muck Bay 4	30	1480	0.005 opt	6.30 opt	1.9%	1.00%	0.50%
Muck Bay 4 B	15	1500	0.005 opt	6.71 opt	14.1%	2.30%	0.59%
Muck Bay 3	30	1078	Tr	6.23 opt	7.5%	0.36%	3.77%
Laxy Shaft Rind	25	778	0.02 opt	15.0 opt	18.5%	0.41%	1.03%

Note: Sample channel lengths were 5 to 10 feet. All samples were analyzed by ALS Chemex.

A detailed underground fan drilling program commenced as soon as the surface drilling program was completed. Drilling on the DMEA 2 and Texas massive sulfide zones were planned in order to define a mineable resource, but unfortunately the program was terminated after the first fan was drilled in the DMEA 2 down dip target. The results of the drilling are summarized below:

DMEA 2 Core								
Hole	Length	Dip	Intercept Footage	Gold	Silver	Zinc	Copper	Lead
DM2UC13-13	329	-24	162-184 (22)	0.086 opt	4.72 opt	12.31%	0.48%	1.56%
DM2UC13-14	363	-17	163.5-256.5 (93)	.082 opt	12.77 opt	13.79%	0.45%	7.07%
DM2UC13-14			301-331 (30)	0.127 opt	3.17 opt	14.46%	0.29%	0.67%
DM2UC13-15	298	-31	98-108 (10)	0.01 opt	6.84 opt	8.30%	1.88%	0.16%
DM2UC13-16	306	-36	85-111 (26)	0.01 opt	5.40 opt	3.89%	1.55%	0.34%
DM2UC13-17	347	-12	210-322 (112)	0.07 opt	2.31 opt	9.84%	0.36%	0.28%
DM2UC13-18	347	-47	95-103 (8)	Tr	0.53 opt	2.60%	minor	0.28%

Results from the first drill fan testing the down dip extension of the historic DMEA ore zones.

More than 15,000 feet (4,500 meters) have been drilled at South Mountain and included in the model. The South Mountain historic ore zones remain open down-dip on the zones encountered (see Figure 2). The continuing drilling successes proves that the South Mountain resource continues to grow with potential to increase the resource substantially. An updated NI 43-101 was initiated in early 2018 and is expected to be completed around May 15, 2018. Hard Rock Consulting LLC has been engaged to complete the study.

Two underground core rigs are planned for extending and updating the South Mountain resource - testing the continuity and down-dip extensions of the high-grade polymetallic massive sulfide zones. One core drill will begin on the DMEA and Laxey zones to complete the confirmation and extensional drilling, while the other core drill will focus primarily on the Texas zone to extend resources at depth beyond the current inferred resource area. In Addition, bulk samples will be mined for metallurgical test work..

Qualified Person Edward D. Fields is the Qualified Person as defined by National Instrument 43-101 responsible for the technical data reported in this news release.

This property is without known reserves and the proposed program is exploratory in nature according to Instruction 3 to paragraph (b)(5) of Industry Guide 7. There are currently no permits required for conducting exploration in accordance with the Company`s current board approved exploration plan.

Trout Creek Project, Lander County, Nevada

The Trout Creek gold exploration project is a pediment target located along the western flank of the Shoshone Mountain Range in the Reese River Valley in Lander County, Nevada. The claim package consists of 78 unpatented mining claims (approximately 1560 acres) that are situated along a recognizable structural zone in the Eureka-Battle Mountain mineralized gold trend. Thunder Mountain maintained a joint venture agreement with Newmont Mining on some of their adjoining mineral rights sections and aliquot parcels from 2011 thru 2016. On October 27, 2016 the Company terminated the exploration agreement with Newmont Mining Corporation to concentrate their efforts on the South Mountain Project. The Company retained the 78-claim package by paying annual fees to BLM of \$3,255 and Lander County \$940 fees.

The Project is located approximately 155 air miles northeast of Reno, Nevada, or approximately 20 miles south of Battle Mountain, Nevada, in Sections 10, 11, 14, 16, 21, 22, 27; T.29N.; R.44E. Mount Diablo Baseline & Meridian, Lander County, Nevada. Latitude: 40 23 36 North, Longitude: 117 00 58 West. The property is accessible by traveling south from Battle Mountain Nevada on state highway 305, which is paved. The project is generally accessible year-round and there are no improvements on the property.

The Trout Creek target is anchored by a regional gravity anomaly on a well-defined northwest-southeast trending break in the alluvial fill thickness and underlying bedrock. Previous geophysical work in the 1980s revealed an airborne magnetic anomaly associated with the same structure, and this was further verified and outlined in 2008 by Company personnel using a ground magnetometer. The target is covered by alluvial fan deposits of generally unknown thickness shed from the adjacent Shoshone Range, a fault block mountain range composed of Paleozoic sediments of both upper and lower plate rocks of the Roberts Mountains thrust.

An extensive data package on the area was made available to Thunder Mountain Gold by Newmont during the joint exploration agreement period (2011-2016) that significantly enhanced the target area. This, along with fieldwork consisting of mapping and sampling the altered and mineralized structures that can be followed through the Shoshone Range. Of importance is that these structures align with the Cortez-Pipeline deposits and the Phoenix deposit (part of the Eureka-Battle Mountain-Getchell Trend).

In addition to the geologic fieldwork, Wright Geophysics conducted a ground gravity survey and CSMAT over the pediment target area and this provided insight into the gravel-bedrock contact as well as defining the favorable structural setting within the buried bedrock. An untested drill target was identified under the gravel pediment along these structures, and the geophysics showed that the bedrock was within a reasonable depth for exploration drilling and potential mining if a significant mineralization is encountered.

Thunder Mountain Gold plans to conduct further exploration in 2018 on this attractive pediment gold target. The Company anticipates that funding will be available during the 2018 season and one or two reverse circulation holes can test the bedrock beneath the gravel along the mineralized structures. A detailed list of claims controlled by the Company can be found in the Company's Form 10K filed on Edgar.

The ongoing exploration field work, including claim maintenance and assessment, is financed by the Company through sales of unregistered common stock funded by the Company through private placements with accredited investors. Future work will be funded in the same manner or through a strategic partnership with another mining company.

There are currently no environmental permits required for the planned exploration work on the property. In the future, a notice of intent may be required with the Bureau of Land Management. This property is without known reserves and the proposed program is exploratory in nature according to Instruction 3 to paragraph (b)(5) of Industry Guide 7.

Competition

We are an exploration stage company. We compete with other mineral resource exploration and development companies for financing and for the acquisition of new mineral properties. Many of the mineral resource exploration and development companies with whom we compete have greater financial and technical resources than us. Accordingly, these competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford greater geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development. This competition could adversely impact on our ability to finance further exploration and to achieve the financing necessary for us to develop our mineral properties.

Employees

At March 31, 2018, SMMI has deferred payroll of \$949,500. These salaries were earned in accordance with the OGT LLC operating agreement. OGT management includes SMMI's Eric Jones, Jim Collord, and Larry Thackery as CFO. These salaries will continue to be deferred until a later date.

Results of Operations:

The Company recognized no revenues and had no production for the three months ending March 31, 2018. Total operating expenses for the three months ending March 31, 2018 of \$188,912 decreased from the same respective time frame ending 2017 by \$49,121 or 21%. Exploration expenses for the three months ended March 31, 2018 increased by \$8,465 when compared to same period in 2017. This increase can be attributed to the engagement of Hard Rock Consulting LLC to update the NI 43-101. Legal and accounting costs decreased from 2017 by \$2,943 for a total of \$27,561. Management and administrative expense decreased by \$44,681 or 33%, or a total mostly due to stock based compensation of \$53,557 issued to our directors in March 2017.

Liquidity and Capital Resources:

The consolidated financial statements for the period ending March 31, 2018, disclose a going concern qualification to our ability to continue in business. The consolidated financial statements for the period then ended have been prepared under the assumption that we will continue as a going concern. Such assumption contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the consolidated financial statements for the period ended March 31, 2018, we did not have sufficient cash reserves to cover normal operating expenditures for the following 12 months. These factors raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern.

Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis, to obtain additional financing as may be required, or ultimately to attain profitability. Potential sources of cash, or relief of demand for cash, include additional external debt, the sale of shares of our stock or alternative methods such as mergers or sale of our assets. No assurances can be given, however, that we will be able to obtain any of these potential sources of cash. We currently require additional cash funding from outside sources to sustain existing operations and to meet current obligations and ongoing capital requirements.

Our plans for the long-term continuation as a going concern include financing our future operations through sales of our common stock and/or debt and the eventual profitable exploitation of our mining properties. Our plans may also, at some future point, include the formation of mining joint ventures with senior mining company partners on specific mineral properties whereby the joint venture partner would provide the necessary financing in return for equity in the property.

While the Company does not currently have cash sufficient to support the currently planned aggressive exploration work at South Mountain, we believe that the survivability of Thunder Mountain Gold can be assured by the following:

April 27, 2018, we had \$127,294 cash in our bank accounts.

Management and the Board have not undertaken plans or commitments that exceed the cash available to the Company beyond fiscal year 2018. We do not include in this consideration any additional investment funds mentioned below. Management is committed to manage expenses of all types to not exceed the on-hand cash resources of the Company at any point in time, now or in the future.

The Company will also consider other sources of funding, including potential mergers and/or additional farm-out of some of its exploration properties.

For the three months ended March 31, 2018, net cash used for operating activities was \$93,743, consisting of net loss of \$203,306 for the three months ended March 31, 2018, reduced by non-cash expenses and net cash provided by changes in current assets and current liabilities. Cash provided by financing activities for three months ended March 31, 2018 totaled \$182,567.

Our future liquidity and capital requirements will depend on many factors, including timing, cost and progress of our exploration efforts, our evaluation of, and decisions with respect to, our strategic alternatives, and costs associated with the regulatory approvals. If it turns out that we do not have enough money to complete our exploration programs, we will try to raise additional funds from a public offering, a private placement, mergers, farm-outs or loans.

We know that additional financing will be required in the future to fund our planned operations. We do not know whether additional financing will be available when needed or on acceptable terms, if at all. If we are unable to raise additional financing when necessary, we may have to delay our exploration efforts or any property acquisitions or be forced to cease operations. Collaborative arrangements may require us to relinquish our rights to certain of our mining claims.

Private Placement

On January 18, 2016, Thunder Mountain Gold, Inc. initiated a private offering to purchase, in the aggregate, 6,700,000 shares of common stock. There was no minimum offering. The minimum individual subscription was \$25,000 for non-insiders. Participation was limited to six people, most of whom were officers and directors, and two

accredited investors. There was no placement agent fee paid in the offering, and no accountable or unaccountable expense allowance. The closing date for the financing was January 22, 2016, and the Company received \$285,000 in cash proceeds and \$50,000 as a reduction of related party notes payable.

On February 20, 2018, the Board of Directors approved a Private Placement financing of up to \$750,000 from the sale of equity units at a price of \$0.14 per unit. Each unit consists of one share of the Company's common stock and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of common stock of the Company at a price of \$0.20 for a period of 12 months.

The offering was believed exempt from registration pursuant to the exemption for transactions by an issuer not involving any public offering under Section 4(6) the Securities Act of 1933, as amended. The securities offered, sold, and issued in connection with the private placement have not been or are not registered under the Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements.

Subsequent Events

On April 27, 2018 the Company closed its Private Placement, approved by the Board of Directors on February 20, 2018. The Company received net proceeds of \$357,000 from the sale of 2,550,000 units. Each Unit consists of one share of common stock, and one-half of a warrant exercisable at \$0.20.

Contractual Obligations

During 2008 and 2009, three lease arrangements were made with land owners that own land parcels adjacent to the Company's South Mountain patented and unpatented mining claims. The leases were for a seven-year period, with options to renew, with annual payments (based on \$20 per acre) listed in the following table. The leases have no work requirements.

Contractual obligations	Total*	Payments due by period			More than 5 years
		Less than 1 year	2-3 years	4-5 years	
Acree Lease (yearly, June)(1)	\$27,120	\$3,390	\$6,780	\$6,780	\$10,170
Lowry Lease (yearly, October)(1)(2)	\$90,240	\$11,280	\$22,560	\$22,560	\$33,840
Herman Lease (yearly, April) (1)	\$ 15,120	\$1,680	\$3,360	\$3,360	\$6,720
OGT LLC ⁽³⁾	\$50,000	\$5,000	\$10,000	\$10,000	\$25,000
Total	\$182,480	\$21,350	\$42,700	\$42,700	\$75,730

(1)

Amounts shown are for the lease periods years 4 through 7, a total of 1 year that remains after 2013, the second year of the lease period. Lease was extended an additional 10 years at \$30/acre.

(2)

The Lowry lease has an early buy-out provision for 50% of the remaining amounts owed in the event the Company desires to drop the lease prior to the end of the first seven-year period.

(3) OGT LLC, managed by the Company's wholly-owned subsidiary SMMI, receives a \$5,000 per year payment for up to 10 years, or until a \$5 million capped NPI Royalty is paid.

Critical Accounting Policies

We have identified our critical accounting policies, the application of which may materially affect the financial statements, either because of the significance of the financials statement item to which they relate, or because they require management's judgment in making estimates and assumptions in measuring, at a specific point in time, events which will be settled in the future. The critical accounting policies, judgments and estimates which management believes have the most significant effect on the financial statements are set forth below:

a)

Estimates. Our management routinely makes judgments and estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the future resolution of the uncertainties increase, these judgments become even more subjective and complex. Although we believe that our estimates and assumptions are reasonable, actual results may differ significantly from these estimates. Changes in estimates and assumptions based upon actual results may have a material impact on our results of operation and/or financial condition.

b)

Stock-based Compensation. The Company records stock-based compensation in accordance with ASC 718, Compensation - Stock Compensation using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

c)

Income Taxes. We have current income tax assets recorded in our financial statements that are based on our estimates relating to federal and state income tax benefits. Our judgments regarding federal and state income tax rates, items that may or may not be deductible for income tax purposes and income tax regulations themselves are critical to the Company's financial statement income tax items.

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.

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 OTHER INFORMATION

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.

On January 18, 2016, Thunder Mountain Gold, Inc. initiated a private offering to sell, in the aggregate, 6,700,000 shares of common stock. There was no minimum offering. The minimum individual subscription was \$25,000 for non-insiders. Participation was limited to six people, most of whom were officers and directors, and two accredited investors. There was no placement agent fee paid in the offering, and no accountable or unaccountable expense allowance. The closing date for the financing was January 22, 2016, and the Company received \$335,000 in total proceeds.

On February 20, 2018, the Board of Directors approved a Private Placement financing of up to \$750,000 from the sale of equity units at a price of \$0.14 per unit. Each unit consists of one share of the Company's common stock and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share of common stock of the Company at a price of \$0.20 for a period of 12 months. No finder's fees were to be paid. Thunder Mountain Gold will utilize the net proceeds from this financing for working capital, mineral leases, and administrative expenses.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures

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 the three months ended March 31, 2018, the Company did not have any operating mines and therefore 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 5. Other Information

None.

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). Jones

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

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. Jones

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. Thackery

101*

The following financial information from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Cash Flows, and (iv) Consolidated Notes to Financial Statements

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.

/s/ Eric T. Jones

By _____

Eric T. Jones

President and Chief Executive Officer

Date: May 9, 2018

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.

/s/ Larry Thackery

By _____

Larry Thackery

Chief Financial Officer

Date; May 9, 2018

