

THUNDER MOUNTAIN GOLD INC
Form 10-K
March 31, 2015

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

FORM 10-K

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

For the fiscal year ended December 31, 2014

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
(State of other jurisdiction of incorporation or
organization)
11770 W. President Dr., Ste. F
Boise, Idaho
(Address of Principal Executive Offices)

91-1031015
(I.R.S. Employer Identification No.)
83713
(Zip Code)

(208) 658-1037

(Registrant's Telephone Number, including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

None

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

Common stock, Par Value \$0.001

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by checkmark 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 (§ 229.405 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 checkmark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of III of this Form 10-K or any amendment to the Form 10-K.

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Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “Accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant’s most recently completed second fiscal quarter: \$1,995,877 as of June 30, 2014

The number of shares of the Registrant’s Common Stock outstanding as of March 20, 2014 was 40,167,549.

Documents Incorporated by Reference: None.

Table of Contents

THUNDER MOUNTAIN GOLD, INC.

Form 10-K

December 31, 2013

Table of Contents

PART I

3

ITEM 1 - DESCRIPTION OF BUSINESS

3

ITEM 1A - RISK FACTORS

4

ITEM 1B - UNRESOLVED STAFF COMMENTS

7

ITEM 2 - DESCRIPTION OF PROPERTIES

8

ITEM 3 - LEGAL PROCEEDINGS

15

ITEM 4 - MINE SAFETY DISCLOSURES

15

PART II

16

ITEM 5 - MARKET FOR REGISTRANT'S COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

16

ITEM 6 - SELECTED FINANCIAL DATA

18

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

19

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

22

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

23

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

37

ITEM 9A - CONTROLS AND PROCEDURES

37

ITEM 9B - OTHER INFORMATION

38

PART III

39

ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

39

ITEM 11 - EXECUTIVE COMPENSATION

42

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND
RELATED STOCKHOLDER MATTERS

44

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR
INDEPENDENCE

45

ITEM 14 - PRINCIPAL ACCOUNTING FEES AND SERVICES

46

PART IV

47

ITEM 15 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES

47

Table of Contents

PART I

Cautionary Statement about Forward-Looking Statements

This Annual Report on Form 10-K includes certain statements that may be deemed to be forward-looking statements. All statements, other than statements of historical facts, included in this Form 10-K that address activities, events or developments that our management expects, believes or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements include discussion of such matters as:

The amount and nature of future capital, development and exploration expenditures;

The timing of exploration activities, and;

Business strategies and development of our Operational Plans.

Forward-looking statements also typically include words such as anticipate, estimate, expect, potential, could, or similar words suggesting future outcomes. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, including such factors as the volatility and level of metal prices, uncertainties in cash flow, expected acquisition benefits, exploration, mining and operating risks, competition, litigation, environmental matters, the potential impact of government regulations, many of which are beyond our control. Readers are cautioned that forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those expressed or implied in the forward-looking statements. Except as required by law, we undertake no obligation to revise or update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Management's Discussion and Analysis is intended to be read in conjunction with the Company's financial statements and the integral notes (Notes) thereto for the fiscal year ending December 31, 2014. The following statements may be forward looking in nature and actual results may differ materially.

ITEM 1 - DESCRIPTION OF BUSINESS

Company History

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 controlling interest in the Montgomery Mines Corporation was obtained by a group of the Thunder Mountain property holders who then changed the corporate name to Thunder Mountain Gold, Inc. with the primary goal to further develop their holdings in the Thunder Mountain Mining District, Valley County, Idaho.

Change in Situs and Authorized Capital

The Company moved its situs from Idaho to Nevada, but maintains its corporate offices in Garden City, Idaho. On December 10, 2007, articles of incorporation were filed with the Secretary of State in Nevada for Thunder Mountain Gold, Inc., a Nevada Corporation. The Directors of Thunder Mountain Gold, Inc. (Nevada) were the same as for Thunder Mountain Gold, Inc. (Idaho).

On January 25, 2008, the shareholders approved the merger of Thunder Mountain Gold, Inc. (Idaho) with Thunder Mountain Gold, Inc. (Nevada), which was completed by a share for share exchange of common stock. The terms of the merger were such that the Nevada Corporation was the surviving entity. The number of authorized shares for the Nevada Corporation is 200,000,000 shares of common stock with a par value of \$0.001 per share and 5,000,000 shares of preferred stock with a par value of \$0.0001 per share.

Table of Contents

The Company is structured as follows: The Company owns 100% of the outstanding stock of Thunder Mountain Resources, Inc., a Nevada Corporation. Thunder Mountain Resources, Inc. owns 100% of the outstanding stock of South Mountain Mines, Inc., an Idaho Corporation.

We have no patents, licenses, franchises or concessions which are considered by the Company to be of importance. The business is not of a seasonal nature. Since the potential products are traded in the open market, we have no control over the competitive conditions in the industry. There is no backlog of orders.

There are numerous Federal and State laws and regulation related to environmental protection, which have direct application to mining and milling activities. The more significant of these laws deal with mined land reclamation and wastewater discharge from mines and milling operations. We do not believe that these laws and regulations as presently enacted will have a direct material adverse effect on our operations.

Subsidiary Companies

On May 21, 2007, the Company filed Articles of Incorporation with the Secretary of State in Nevada for Thunder Mountain Resources, Inc., a wholly-owned subsidiary of Thunder Mountain Gold, Inc. The financial information for the new subsidiary is included in the consolidated financial statements.

On September 27, 2007, Thunder Mountain Resources, Inc., a wholly-owned subsidiary of Thunder Mountain Gold, Inc., completed the purchase of all the outstanding stock of South Mountain Mines, Inc., an Idaho corporation. The sole asset of South Mountain Mines, Inc. consists of seventeen patented mining claims, totaling approximately 326 acres, located in the South Mountain Mining District, Owyhee County, Idaho.

On November 8, 2012, South Mountain Mines, Inc., (SMMI) a wholly owned subsidiary of Thunder Mountain Resources, Inc., which in turn is a wholly owned subsidiary of the Company, and Idaho State Gold Company II LLC (ISGC) formed Owyhee Gold Trust, LLC, (OGT) a limited liability company (LLC). SMMI 's contribution for its 6,000 membership units is mining property located in southwestern Idaho in Owyhee County consisting of 17 patented mining claims, 21 unpatented mining claims and 545 acres of leased private land. As its initial contribution to OGT, ISGC will fund operations totaling \$18 million, or \$8 million if SMMI exercises its participation option. SMMI will own 100% of the LLC membership units until such time as ISGC makes \$3 million in qualifying expenditures (as defined by the operating agreement) not later than December 31, 2014, including the cancellation of the \$1 million note issued by the Company dated April 30, 2012. Upon payment of \$3 million of qualifying

expenditures, ISGC will receive 2,000 units representing 25% ownership.

Current Operations

Thunder Mountain Gold is a mineral exploration stage company with no producing mines. The Company intends to remain in the business of exploring for mining properties that have the potential to produce gold, silver, base metals and other commodities.

Reports to Security Holders

The Registrant does not issue annual or quarterly reports to security holders other than the annual Form 10-K and quarterly Forms 10-Q as electronically filed with the SEC. Electronically filed reports may be accessed at www.sec.gov. Interested parties also may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N. W., Washington, D.C. 20549. Information may be obtained on the operation of the Public Reference Room by calling the SEC at 1 (800) SEC-0330.

ITEM 1A - RISK FACTORS

Our business, operations, and financial condition are subject to various risks. This is particularly true since we are in the business of conducting exploration for mineral properties that have the potential for discovery of economic mineral resources. We urge you to consider the following risk factors in addition to the other information contained in, or incorporated by reference into, this Annual Report on Form 10-K:

Table of Contents

We have no income and resources and we expect losses to continue for at least the next two years.

Our only continuing source of funds is through sales of equity positions received from investors, which may not be sufficient to sustain our operations. Any additional funds required would have to come from the issuance of debt or the sale of our common stock. There is no guarantee that funds would be available from either source. If we are unsuccessful in raising additional funds, we will not be able to develop our properties and will be forced to liquidate assets.

We have no proven reserves.

We have no proven reserves at any of our properties. We only have indicated and inferred, along with assay samples at South Mountain; and assay samples at some of our other exploration properties.

We will likely need to raise additional capital to continue our operations, and if we fail to obtain the capital necessary to fund our operations, we will be unable to continue our exploration efforts and may have to cease operations.

At December 31, 2014, we had current assets of \$47,918. We are planning to raise additional funds in 2014 to meet our current operating and capital requirements for the next 12 months and beyond. However, we have based this estimate on assumptions that may prove to be wrong, and we cannot assure that estimates and assumptions will remain unchanged. For the year ended December 31, 2014 net cash used for operating activities was \$395,890. 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 public offerings, private placements 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.

We believe that there is substantial doubt about our ability to continue as a going concern

We have never generated net income from our exploration efforts and we have incurred significant net losses in each year since inception. Our accumulated deficit as of December 31, 2014 was \$3,423,854. We expect to continue to incur substantial additional losses for the foreseeable future, and we may never become profitable. Our ability to achieve and maintain profitability and positive cash flow is dependent upon our ability to locate and ultimately operate proven or probable precious metals reserves, our ability to generate positive net revenues and our ability to reduce our operating costs.

Based upon current plans, we expect to incur operating losses in future periods. This will happen because our exploration costs are greater than nonexistent revenue. Continued failure to generate revenues could cause us to go out of business.

Our financial statements, for the year ended December 31, 2014, were audited by our independent registered public accountants, whose report includes an explanatory paragraph stating that the financial statements have been prepared assuming we will continue as a going concern and that we have incurred operating losses since inception that raise substantial doubt about our ability to continue as a going concern.

We believe that there is substantial doubt about our ability to continue as a going concern due to our total accumulated deficit of \$3,423,854 as of December 31, 2014. Our plans for our continuation as a going concern include financing our operations through sales of unregistered common stock and the exercising of stock options by our officers, directors and originators. If we are not successful with our plans, equity holders could then lose all or a substantial portion of their investment.

Table of Contents

Our exploration efforts may be adversely affected by metals price volatility causing us to cease exploration efforts.

We have no earnings. However, the success of any exploration efforts is derived from the price of metal prices that are affected by numerous factors including: 1) expectations for inflation; 2) investor speculative activities; 3) relative exchange rate of the U.S. dollar to other currencies; 4) global and regional demand and production; 5) global and regional political and economic conditions; and 6) production costs in major producing regions. These factors are beyond our control and are impossible for us to predict.

There is no guarantee that current favorable prices for metals and other commodities will be sustained. If the market prices for these commodities fall we will temporarily suspend or cease exploration efforts.

Our mineral exploration efforts may not be successful.

Mineral exploration is highly speculative. It involves many risks and often does not produce positive results. Even if we find a valuable mineral deposit, it may be three years or more before production is possible because of the need for additional detailed exploration, pre-production studies, permitting, financing, construction and start up.

During that time, it may become economically unfeasible to produce those minerals. Establishing ore reserves requires us to make substantial capital expenditures and, in the case of new properties, to construct mining and processing facilities. As a result of these costs and uncertainties, we will not be able to develop any potentially economic mineral deposits.

We face strong competition from other mining companies for the acquisition of new properties.

If we do find an economic mineral reserve, and it is put into production, it should be noted that mines have limited lives and as a result, we need to continually seek to find new properties. In addition, there is a limited supply of desirable mineral lands available in the United States or elsewhere where we would consider conducting exploration activities. Because we face strong competition for new properties from other exploration and mining companies, some of whom have greater financial resources than we do, we may be unable to acquire attractive new mining properties on terms that we consider acceptable.

Mining operations may be adversely affected by risks and hazards associated with the mining industry.

Mining operations involve a number of risks and hazards including: 1) environmental hazards; 2) political and country risks; 3) industrial accidents; 4) labor disputes; 5) unusual or unexpected geologic formations; 6) high wall failures, cave-ins or explosive rock failures, and; 7) flooding and periodic interruptions due to inclement or hazardous weather conditions. Such risks could result in: 1) damage to or destruction of mineral properties or producing facilities; 2) personal injury; 3) environmental damage; 4) delays in exploration efforts; 5) monetary losses, and; 6) legal liability.

We have no insurance against any of these risks. To the extent we are subject to environmental liabilities, we would have to pay for these liabilities. Moreover, in the event that we ever become an operator of a mine, and unable to fully pay for the cost of remedying an environmental problem, should they occur, we might be required to suspend operations or enter into other interim compliance measures.

Because we are small and do not have much capital, we must limit our exploration. This may prevent us from realizing any revenues, thus reducing the value of the stock and you may lose your investment as a result.

Because our Company is small and does not have much capital, we must limit the time and money we expend on exploration of interests in our properties. In particular, we may not be able to: 1) devote the time we would like to exploring our properties; 2) spend as much money as we would like to exploring our properties; 3) rent the quality of equipment or hire the contractors we would like to have for exploration; and 4) have the number of people working on our properties that we would like to have. By limiting our operations, it may take longer to explore our properties. There are other larger exploration companies that could and may spend more time and money exploring the properties that we have acquired.

Table of Contents

We will have to suspend our exploration plans if we do not have access to all the supplies and materials we need.

Competition and unforeseen limited sources of supplies in the industry could result in occasional spot shortages of supplies, like dynamite, and equipment like bulldozers and excavators that we might need to conduct exploration. We have not attempted to locate or negotiate with any suppliers of products, equipment or materials. We will attempt to locate products, equipment and materials after we have conducted preliminary exploration activities on our properties. If we cannot find the products and equipment we need in a timely manner, we will have to delay or suspend our exploration plans until we do find the products and equipment we need.

We face substantial governmental regulation and environmental risks, which could prevent us from exploring or developing our properties.

Our business is subject to extensive federal, state and local laws and regulations governing mining exploration development, production, labor standards, occupational health, waste disposal, use of toxic substances, environmental regulations, mine safety and other matters. New legislation and regulations may be adopted at any time that results in additional operating expense, capital expenditures or restrictions and delays in the exploration, mining, production or development of our properties.

At this time, we have no specific financial obligations for environmental costs. Various laws and permits require that financial assurances be in place for certain environmental and reclamation obligations and other potential liabilities. Once we undertake any trenching or drilling activities, a reclamation bond and a permit will be required under applicable laws. Currently, we have no obligations for financial assurances of any kind, and are unable to undertake any trenching, drilling, or development on any of our properties until we obtain financial assurances pursuant to applicable regulations to cover potential liabilities.

If we fail to maintain an effective system of internal controls, we may not be able to detect fraud or report our financial results accurately, which could harm our business and we could be subject to regulatory scrutiny.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (Section 404), we are required to perform an evaluation of our internal controls over financial reporting. We have prepared an internal plan of action for compliance with the requirements of Section 404, and have completed our effectiveness evaluation. We have reported two material weaknesses in our internal controls over financial reporting. Continuing compliance with the requirements of

Section 404 is expected to be expensive and time-consuming. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations.

ITEM 1B - UNRESOLVED STAFF COMMENTS

Not required for smaller reporting companies.

Table of Contents

ITEM 2 - DESCRIPTION OF PROPERTIES

The Company, including its subsidiaries, owns rights to claims and properties in the mining areas of Nevada and Idaho.

The Company owns 100% of the outstanding stock of Thunder Mountain Resources, Inc., a Nevada Corporation. Thunder Mountain Resources, Inc. owns 100% of the outstanding stock of South Mountain Mines, Inc. (SSMI), an Idaho Corporation., Inc. which owns the historic South Mountain Mine. Thunder Mountain Resources, Inc. completed the direct purchase of 100% ownership of South Mountain Mines, Inc. on September 27, 2007, which consisted of 17 patented mining claims (approximately 327 acres) located in Owyhee County in southwestern Idaho.

Subsequent to the purchase, Thunder Mountain Resources staked 21 unpatented mining claims and obtained mineral leases on 545 acres of adjoining private ranch land.

The Company owns 100% of the outstanding stock of Thunder Mountain Resources, Inc., a Nevada Corporation. Thunder Mountain Resources, Inc. owns 100% of the outstanding stock of South Mountain Mines, Inc. (SSMI), an Idaho Corporation., Inc. which owns the historic South Mountain Mine. Thunder Mountain Resources, Inc. completed the direct purchase of 100% ownership of South Mountain Mines, Inc. on September 27, 2007, which consisted of 17 patented mining claims (approximately 327 acres) located in Owyhee County in southwestern Idaho.

Subsequent to the purchase, Thunder Mountain Resources staked 21 unpatented mining claims and obtained mineral leases on 545 acres of adjoining private ranch land. There has been no change to these claims.

On November 8, 2012, and Idaho State Gold Company II LLC (ISGC) formed Owyhee Gold Trust, LLC, (OGT) a limited liability corporation. As part of the Agreement, 6,000 membership units were created and represented SMMI s contribution as its initial contribution to OGT. The Agreement calls for ISGC to fund operations totaling \$18 million, or \$8 million if SMMI exercises its participation option. SMMI will own 100% of the LLC membership units until such time as ISGC makes the stipulated qualifying expenditures (as defined by the operating agreement).

The Company s plan of operation for the next twelve months, subject to business conditions, will be to continue the advanced exploration and pre-development program for the South Mountain Project. This work will include:

Selecting a third party contractor to organize a Feasibility Study.

Continue with the rehabilitation of the Laxey and Sonneman drifts, utilizing an underground contract miner to conduct the rehabilitation work.

Continue with the underground core drilling from within the Sonneman level, at drill stations engineered to define the mineralization and to intercept the down-dip extensions of the Texas, DMEA-2, and Laxey ore zones, as project finances allow, and

Continue the baseline environmental and engineering work.

Work on the Company's other three wholly-owned properties will continue in 2014, although the South Mountain Project will still remain the focus. At the Trout Creek Project, the following is planned:

Prepare to drill a pre-defined drill target on the Joint Exploration area with Newmont Mining.

Analyze the drill data, and prepare for further exploration in the 2015/2016 seasons.

Continue geophysical interpretation of the valley area. Define potential drill targets and develop additional drill targets for remaining field season in 2015 and beyond, depending upon the results.

The Company, including its subsidiaries, owns rights to claims and properties in the mining areas of Nevada and Idaho.

South Mountain Project, Owyhee County, Idaho

The land package at South Mountain consists of a total of approximately 1,158 acres, consisting of (i) 17 patented claims (326 acres) the Company owns outright; (ii) lease on private ranch land (542 acres); and, (iii) 21 unpatented lode mining claims on BLM managed land (290 acres). The Company is negotiating for additional private land surrounding the existing land package. All holdings are located in the South Mountain Mining District, Owyhee County, Idaho.

Table of Contents

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 to 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.

During the development of the Sonneman Level during 2012-2013 several massive sulfide mineralized zones were mined through. Detailed rib sampling along some of these zones yielded the following results:

Location / Ore Shoot	Sampled		Gold	Silver	Zinc	Copper	Lead
	Length (Feet)	Tunnel Station (ft)					
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	0.0055 opt	6.30 opt	1.9%	1.00%	0.50%
Muck Bay 4 B	15	1500	0.0055 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%
Laxey 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.

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.

Other Underground Pre-Development Work

The reconstruction of the Sonneman and Laxey drifts continued successfully until January 2014 when the Project went into care and maintenance. The Sonneman Level advanced 2,711 feet from the portal and is constructed to 12 feet X 12 feet for future development and mining. There is approximately 350 feet of engineered drift to construct in order to reach the historic Texas ore zone located at the end of the old workings. This advance to and through this zone will allow for drill stations and underground drilling to further define the high-grade resource encountered by William Bowes group in the 1980s.

The historic 2,200-foot long Laxey Level drift has been rehabilitated to 10 feet by 10 feet for a distance of approximately 720 feet. At that point the old tunnel had recently collapsed in at an intrusive dike and preparations were being made to advance through the caved area. This old tunnel was rehabilitated and accessed along its full length in 2008, at which point it intercepted the Texas ore shoot, one of many that had limited mining during and after the World War II period. Excellent high grade massive sulfide is exposed in this area, and our drilling during 2013 proved its continuity between the Laxey Level and the surface, an up-dip distance of nearly 400 feet.

2013 Core Drilling Program

The surface drilling program was completed in November, 2013. Twelve core holes totaling 7,535.5 feet were drilled and targeted three separate ore shoots:

1.

Seven holes targeted the Texas Ore Shoot from the surface to the Laxey Level, and between the Laxey and Sonneman Levels. The continuity of sulfide mineralization was confirmed and the surface to Laxey Level offers an upside to the ore shoot that has never been explored. Additional drilling, primarily from underground, will be necessary to move this into a reserve category.

Table of Contents

Long section looking north showing the Laxey and Sonneman tunnels and locations of some of the core drill holes.

2.

Three holes were drilled to test the DMEA 2 Ore Shoot between the two levels. The best hole, DMEA13-09, intercepted 15 feet of massive sulfide with a grade of 0.22 opt gold, 2.67 opt silver, 20.2% zinc, 0.27% copper and 0.35% lead.

3.

Two holes tested the down dip extension of the ore shoot mined during World War II from the 800-foot deep Laxey Shaft. Encouraging mineralization was intercepted in both holes, with the best being LX13-11 that cut 34 feet of sulfide grading 0.004 opt gold, 4.41 opt silver and 7.18% zinc.

A detailed underground fan drilling program commenced as soon as the surface drilling program was completed. Drilling on the DMEA 2 and Texas Ore Shoot 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.

Table of Contents

This drilling confirms and enhances the DMEA 2 and DMEA 3 massive sulfide zone mined during the completion of the Sonneman Tunnel. (The rib sample results from these zones are reported above.) Two additional fans were planned, one at a shallower angle and one further down dip. There is some indication that the two or three zones may be coalescing with depth. Additional fans are planned, but were put on hold due to lack of funding.

The advance of the Sonneman Level tunnel was stopped about 300 feet short of the primary target, the Texas Ore Shoot. The caved older tunnel built by Bowes around 1980 intercepted approximately 70 feet of sulfide grading 0.26 opt gold, 7.42 opt silver, 14.0% zinc, 3.7% lead and 0.16% copper. Once the new tunnel advances and drill stations construction, fan drilling is planned to test the up and down dip of this attractive zone.

Management remains encouraged by results of the underground pre-development work completed to date. The South Mountain Model continues to prove that the continuation of the replacement sulfide mineralized ore shoots at depth. Detailed follow-up core drilling will be needed to better define the quality and quantity of the historic ore zones at depth.

Other work on the Project included access road work, infrastructure facilities and some environmental remediation. In order to remediate any water contamination from the historic Sonneman waste rock dump, a 440-foot 48-inch culvert was constructed so that Williams Creek would flow beneath the waste rock.

Status of the Operating Agreement with Idaho State Gold Company (ISGC II)

On November 8, 2012, the Company and Idaho State Gold Company II LLC (ISGC) formed Owyhee Gold Trust, LLC, (OGT) a limited liability Corporation. As part of the Agreement, 6,000 membership units were created and represented SMMI s contribution as its initial contribution to OGT. The Agreement calls for ISGC to fund operations totaling \$18 million, or \$8 million if SMMI exercises its participation option. SMMI holds all of the LLC membership units until such time as ISGC II makes the stipulated qualifying expenditures (as defined by the operating agreement).

Currently, ISGC II has chosen to put the property and care and maintenance.

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 oz
Silver	10.6 opt	566,440 oz
Copper	1.4%	1,485,200 lbs
Lead	2.4%	2,562,300 lbs
Zinc	14.5%	15,593,100 lbs

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

Table of Contents

South Mountain Mines Inc. controlled 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 some 300 feet above the Sonneman. High grade sulfide mineralization was intercepted on the Sonneman Extension. In 1985 they did a feasibility study based on polygonal ore blocks exposed in the 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 lbs of zinc. Although they determined positive economics, the project was shut down and placed into care and maintenance.

In 2008, the Company engaged 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. The NI 43-101 can be reviewed on the Company's website at www.thundermountaingold.com, or on www.SEDAR.com.

Gold Breccia Area

No additional work has been completed on the multi-lithic intrusive breccia outcrop that was identified and sampled in 2008 on property leased by the Company. An extensive ground magnetic survey consisting of approximately 81 line miles was completed over the project area by Jim Wright Geophysics and was designed to tie the sediment hosted mineralization with the Gold Breccia Zone. Additional geophysics will be justified and will consist of deep penetrating induced polarization work.

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.

Management believes that the first-pass drill results from the intrusive breccia drilling proves the existence of a significant gold system in an intrusive package that is related to the polymetallic mineralization in the carbonate in the historic mine area. Additionally, an IP survey is planned to isolate potential feeder structures and to evaluate the contact between the metasediments and the gold-bearing intrusive.

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.

Table of Contents**Trout Creek Project, Lander County, Nevada**

The Trout Creek pediment exploration gold target is located along the eastern flank of Reese River Valley along the pediment of the Shoshone Range 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. In addition to the claims, a joint venture exploration agreement with Newmont Mining covering approximately 25 square miles on which Newmont owns the mineral rights on about half that amount. The mineral rights consist of their ownership of the Continental Railroad sections.

The Project is located approximately 155 air miles northeast of Reno, Nevada, or approximately 20 miles SW 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. There is no power, no water other than seasonal surface precipitation and associated streams that flow from the Shoshone Range, and there are no improvements on the property.

All those certain unpatented lode claims situated in Lander County, Nevada, more particularly described as follows below:

Name of Claim	Lander Co. Doc. No.	BLM NMC No.
TC-1	0248677	965652
TC-2	0248678	965653
TC-3	0248679	965654
TC-4	0248680	965655
TC-5	0248681	965656
TC-6	0248682	965657
TC-7	0248683	965658
TC-8	0248684	965659
TC-9	0248685	965660
TC-10	0248686	965661
TC-11	0248687	965662
TC-12	0248688	965663
TC-31	0248707	965682
TC-32	0248708	965683
TC-51	0248727	965702

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TC-52	0248728	965703
TC-53	0248729	965704
TC-54	0248730	965705
TC-55	0248731	965706

Table of Contents

Name of Claim	Lander Co. Doc. No.	BLM NMC No.
TC-56	0248732	965707
TC-57	0248733	965708
TC-58	0248734	965709
TC-59	0251576	988946
TC-60	0251577	988947
TC-61	0251578	988948
TC-62	0251579	988949
TC-63	0251580	988950
TC-64	0251581	988951
TC-65	0251582	988952
TC-66	0251583	988953
TC-67	0251584	988954
TC-68	0251585	988955
TC-69	0251586	988956
TC-70	0251587	988957
TC-71	0251588	988958
TC-72	0251589	988959
TC-73	0251590	988960
TC-74	0251591	988961
TC-75	0251592	988962
TC-76	0251593	988963
TC-77	0251594	988964
TC-78	0251595	988965
TC-79	0251596	988966
TC-80	0251597	988967
TC-81	0251598	988968
TC-82	0251599	988969
TC-83	0251600	988970
TC-84	0251601	988971
TC-85	0251602	988972
TC-86	0251603	988973
TC-87	0251604	988974
TC-88	0251605	988975
TC-89	0251606	988976
TC-90	0251607	988977
TC-91	0251608	988978
TC-92	0251609	988979
TC-93	0251610	988980
TC-94	0251611	988981
TC-95	0251612	988982
TC-96	0251613	988983

An extensive data package was made available by Newmont to Thunder Mountain Gold, and follow-up fieldwork was undertaken once the agreement was finalized. This fieldwork consisted of mapping 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.

Table of Contents

Lack of an adequate budget prevented drilling during 2014, but Newmont and the Company are currently amending the agreement to modify the work commitment timeframe. It is anticipated that funding will be available during the 2015 season and one or two reverse circulation holes can test the bedrock beneath the gravel along the mineralized structures.

The Trout Creek target is based on 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 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. The geophysical anomaly could define a prospective and unexplored target within a well mineralized region.

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. The Company is attempting to consolidate the land package to cover a larger area of the positive geophysical target in the pediment by acquiring and/or joint venturing adjoining mineral property.

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

The Company had two employees during the year ended December 31, 2014; Eric Jones, President and Chief Executive Officer, and Jim Collard, Vice President and Chief Operating Officer. In early 2011, Mr. Collard and Mr. Jones voluntarily reduced his salary to \$1/month until November 2012 when the financial condition of the Company improved. Later, Mr. Collard and Mr. Jones voluntarily suspended their salaries in July of 2013, until the company became financially able to pay them.

ITEM 3 - LEGAL PROCEEDINGS

The Company has no legal actions pending against it and it is not a party to any suits in any court of law, nor are the directors aware of any claims which could give rise to or investigations pending by the Securities and Exchange Commission or any other governmental agency. There are no pending legal proceedings to which any director, officer or affiliate of the Company, any owner of record or beneficiary of more than 5% of the common stock of the Company, or any security holder of the Company is a party adverse to the Company or has a material interest adverse to the Company.

ITEM 4 MINE SAFETY DISCLOSURES

None.

Table of Contents**PART II****ITEM 5 - MARKET FOR REGISTRANT'S COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information:**

Our common stock is traded on the over-the-counter bulletin board (OTCBB) market operated by the Financial Industry Regulatory Authority (FINRA) under the symbol THMG.OB. The OTCBB quotations do not reflect inter-dealer prices, retail mark-ups, commissions or actual transactions.

On September 24, 2010, the Company's common stock also began trading on the TSX Venture Exchange (TSX-V) in Canada and is quoted under the trading symbol THM

The following table illustrates the average high/low price of our common stock for both the OTCBB and TSX-V for the last two (2) fiscal years 2014 and 2013:

PERIOD⁽²⁾	OTCQB (US\$)		TSX-V(Cdn\$)⁽¹⁾	
	HIGH	LOW	HIGH	LOW
2014				
First Quarter	\$ 0.07	\$ 0.07	\$ 0.12	\$ 0.12
Second Quarter	\$ 0.08	\$ 0.05	\$ 0.12	\$ 0.04
Third Quarter	\$ 0.07	\$ 0.05	\$ 0.12	\$ 0.07
Fourth Quarter	\$ 0.05	\$ 0.03	\$ 0.04	\$ 0.04

2013

First Quarter	\$ 0.14	\$ 0.14	\$ 0.08	\$ 0.08
Second Quarter	\$ 0.07	\$ 0.07	\$ 0.08	\$ 0.08
Third Quarter	\$ 0.06	\$ 0.06	\$ 0.05	\$ 0.05
Fourth Quarter	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05

At December 31, 2014, the price per share quoted on the OTCQB was \$0.05 and Cdn\$0.045 on the TSX-V.

- (1) Our common stock began trading on the TSX-V on September 24, 2010.
- (2) Quarters indicate calendar year quarters.

Holders:

As of December 31, 2014 there were approximately 1,840 shareholders of record of the Company's common stock with an unknown number of additional shareholders who hold shares through brokerage firms.

Transfer Agent:

Our independent stock transfer agent in the United States is Computershare Shareholder Services, located at 350 Indiana Street Suite 750 Golden, CO 80401. In Canada, our Agent is Computershare, TORU - Toronto, University Ave, 100 University Ave, 8th Floor, Toronto, ON M5J 2Y1, CANADA

Dividends:

No dividends were paid by the Registrant in 2014 or 2013, and the Company has no plans to pay a dividend in the foreseeable future. Dividends undertaken by the Company are solely at the discretion of the Board of Directors.

Table of Contents

Securities Authorized For Issuance under Equity Compensation Plans:

On July 17, 2011, the Company Shareholders approved the Companies Stock Incentive Plan (SIP), and subsequently a grant of 2.0 million options under the SIP to Directors, Executive Officers and other non-employees consultants. These options were unanimously approved for issuance by the Board on August 24, 2010, subject to Shareholder approval of its SIP. The options have a strike price of \$0.27. The option certificates will reflect the actual date of the SIP by shareholders, which was July 17, 2011.

The SIP has a fixed maximum percentage of 10% of the Company's outstanding shares that are eligible for the plan pool, whereby the number of Shares under the SIP increase automatically with increases in the total number of shares. This Evergreen provision permits the reloading of shares that make up the available pool for the SIP, once the options granted have been exercised. The number of shares available for issuance under the SIP automatically increases as the total number of shares outstanding increase, including those shares issued upon exercise of options granted under the SIP, which become re-available for grant subsequent to exercise of option grants. The number of shares subject to the SIP and any outstanding awards under the SIP will be adjusted appropriately by the Board of Directors if the Company's common stock is affected through a reorganization, merger, consolidation, recapitalization, restructuring, reclassification, dividend (other than quarterly cash dividends) or other distribution, stock split, spin-off or sale of substantially all of the Company's assets.

The SIP also has terms and limitations, including without limitation that the exercise price for stock options and stock appreciation rights granted under the SIP must equal the stock's fair market value, based on the closing price per share of common stock, at the time the stock option or stock appreciation right is granted. The SIP is also subject to other limitation including; a limited exception for certain stock options assumed in corporate transactions; stock options and stock appreciation rights granted under the SIP may not be re-priced without shareholder approval; stock-based awards under the SIP are subject to either three-year or one-year minimum vesting requirements, subject to exceptions for death, disability or termination of employment of an employee or upon a change of control; and shareholder approval is required for certain types of amendments to the SIP.

On November 29, 2012 the Board approved a grant of 990 thousand options under the SIP to Directors, Executive Officers and other non-employees consultants. Shareholder approval for the award was granted on April 30, 2013. The options immediately vested. Management valued the options as of the date of grant using a Black-Scholes option pricing model resulting in \$89,038 expense being recorded.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities:

Beginning June 26, 2011 and continuing through September 30, 2011, the Company entered into stock subscription agreements with Life Media Group AG with a subscription price of Cdn\$0.17 per Unit for 1,200,000 Units and raising \$186,546. 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. On October 28, 2011, the Company issued 108,000 share purchase warrants to Garry Miller for finder's fees associated with a private placement. Each warrant is exercisable to purchase one common share of the Company common stock at Cdn\$0.20 per share for a period of two years from date of issue.

On January 2, 2012, the Company entered into a subscription agreement with two individuals whereby the company sold 1,350,000 units at US\$0.12 per unit. Each unit consists of one share of common stock and one-half warrant exercisable for 2 years at \$0.20. The Company issued 1,350,000 shares under this agreement.

On October 3, 2013, the Board of Directors approved a Private Placement financing of up to 5,000,000 units of the Company (Unit) at a price of \$0.05 per Unit for gross proceeds of up to \$250,000. 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 \$0.15 for a period of 18 months.

Table of Contents

Pursuant to a Selling Agreement, the Selling Agent was entitled to compensation in the following form: (a) a cash commission equal to 10% of the price of the Units sold. At December 31, 2014, \$1,500 in commissions was accrued based on the sale of 300,000 shares; (b) an additional cash commission of 10% of gross proceeds received from the exercise of Warrants issued as part of such Units or any other equity investment made by investors introduced by the Agent within a 24 month period following closing; and (c) non-transferable broker warrants to purchase a number of additional Units equal to 5% of Units sold by the Agent in the initial offering. The Agent Warrants will have the same exercise price and otherwise be on the same terms as the Warrants. At December 31, 2014, 15,000 agent warrants were issued.

As of December 31, 2014, the Company received \$460,000 in gross proceeds from the Private Placement, issuing a total 9,240,000 in common stock and 4,620,000 warrants.

On December 1, 2013, the Company converted a note payable to Rolf Hess in the amount of \$20,000 for a total of 400,000 shares of common stock and 200,000 warrants.

Purchases of Equity Securities by the Company and Affiliated Purchasers

During the fiscal year ended December 31, 2014, neither the Company nor any affiliated purchaser (as defined in Rule 10b-18(a)(3) under the Exchange Act) purchased any shares of our common stock, the only class of our equity securities registered pursuant to section 12 of the Exchange Act.

ITEM 6 - SELECTED FINANCIAL DATA

Not required for smaller reporting companies.

Table of Contents

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 2014 and the metals commodity markets were mostly unchanged during the year. Equity markets will likely open up periodically in response to favorable price movements in certain metals during 2015, providing some companies with the opportunity to take advantage of short periods of positive sentiment in the market. However, until metal price momentum swings to the positive, equity financing in the mining industry will remain unpopular. Analyst estimates for 2015 are for choppy metals markets.

The Company continued to operate on a limited budget in 2014 while the Company's funding partner in the South Mountain Mine pursues additional financing.

The Company's plan of operation for the next twelve months, subject to business conditions, is as follows:

Continue the advanced pre-development and exploration at the South Mountain Project. This work may include the following:

.

Continue with the rehabilitation of the Laxey and Sonneman workings, utilizing Widman Contactors, Inc. to conduct the mining.

.

Initiate 5,000 to 7,000 feet of underground core drilling from within the Laxey and Sonneman levels, at drill stations engineered to define the mineralization and to intercept the down-dip extensions of the Texas, DMEA-2, and Laxey ore zones.

.

Complete geophysical work on the Intrusive Breccia target. This will consist of an extensive helicopter draped aeromagnetic survey plus resistivity and IP work and will help define specific targets within and peripheral to the mineralized intrusive complex.

.

Continue the baseline environmental work.

Due to Failures and defaults regarding of ISGC II's management of the South Mountain Project, THMG/SMMI was inserted as Manager of the OGT LLC as of Jan. 27th, 2015 by way of MCOM meeting. The parties are currently negotiating to determine whether THMG will seek judicial ratification of this OGT LLC determination.

Work on the Trout Creek Project will continue in 2015, although the South Mountain Project will still remain the focus. At the Trout Creek Project, the following is planned:

.

Drill pre-defined drill target on the Joint Exploration area with Newmont Mining.

.

Analyze the drill data, and prepare for further exploration in the 2015/2016 seasons.

.

Continue geophysical interpretation of the valley area. Define potential drill targets and develop additional drill targets for remaining field season of 2015.

Table of Contents

Results of Operations:

The Company had no revenues and no production for 2014 or 2013. Total expenses for 2014 decreased from the prior year to \$412,887, down 0.58% from 2013 total expenses of \$415,261. Exploration expense for the year end 2014 was \$19,905, a decrease of \$45,119 over 2013 exploration expense of \$65,024, legal and accounting fees for 2014 increased \$102,992 to \$194,934, a 53% increase over 2013 legal and accounting expenses of \$91,942. 2014 management and administrative slightly increased \$13,900, or 7%, to \$198,048 compared to 2013 expense of \$184,148.

Liquidity and Capital Resources:

The audit opinion and Notes that accompany our consolidated financial statements for the year ended December 31, 2014, 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 year ended December 31, 2014, 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:

At March 20, 2015, we had \$126,627 cash in our bank accounts.

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 below. Management is committed to 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.

We firmly believe we can outlast the current disruptions in the investment markets and continue to attract investment dollars in coming months and years. 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 year ended December 31, 2014, net cash used for operating activities was \$395,890, consisting of our 2014 net loss of (\$419,695), reduced by non-cash expenses and net cash provided by changes in current assets and current liabilities. Cash provided by financing activities for 2014 totaled \$392,000.

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.

Table of Contents

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 October 3, 2013, the Board of Directors approved a Private Placement financing of up to 5,000,000 units of the Company (Unit) at a price of \$0.05 per Unit for gross proceeds of up to \$250,000. 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 \$0.15 for a period of 18 months. The Placement was closed on November 24, 2014, with an oversubscription of 5,000,000 units, for a total of 9,240,000 units sold for gross proceeds of \$462,000.

Pursuant to a Selling Agreement, the Selling Agent was entitled to compensation in the following form: (a) a cash commission equal to 10% of the price of the Units sold. At December 31, 2014, \$1,500 in commissions was accrued based on the sale of 300,000 shares; (b) an additional cash commission of 10% of gross proceeds received from the exercise of Warrants issued as part of such Units or any other equity investment made by investors introduced by the Agent within a 24 month period following closing; and (c) non-transferable broker warrants to purchase a number of additional Units equal to 5% of Units sold by the Agent in the initial offering. The Agent Warrants will have the same exercise price and otherwise be on the same terms as the Warrants. At December 31, 2014, 15,000 agent warrants were issued.

On December 1, 2013, the Company converted a note payable to Rolf Hess in the amount of \$20,000 for a total of 400,000 shares of common stock and 200,000 warrants.

Subsequent Events

Due to Failures and defaults regarding of ISGC II's management of the South Mountain Project, THMG/SMMI was inserted as Manager of the OGT LLC as of Jan. 27th, 2015 by way of MCOM meeting. The parties are currently

negotiating to determine whether THMG will seek judicial ratification of this OGT LLC determination.

On February 6, 2015, the Board approved a grant of one million options under the SIP to Directors, Executive Officers and other non-employees consultants. The options have a strike price of \$0.06. The option certificates will reflect the actual date of the issuance of February 6, 2015. The SIP was approved by shareholder during the January 20, 2015 annual shareholder meeting.

On February 28, 2015, the Company entered into a subscription agreement with a two individuals whereby the company sold 4,000,000 shares, at US\$0.05 per share. There were no warrants associated with the subscriptions. As of March 15, 2015, the Company has issued the 4,000,000 shares under this agreement, and the placement is closed.

Off Balance-Sheet Arrangements:

During the 12 months ended December 31, 2014 and 2013, the Company had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

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.

Table of Contents

Contractual obligations	Total*	Payments due by period			More than 5 years
		Less than 1 year	2-3 years	3-5 years	
Acree Lease (yearly, June)(1)	\$9,040	\$2,260	\$4,520	\$2,260	-
Lowry Lease (yearly, October)(1)(2)	\$30,160	\$7,540	\$15,080	\$7,540	-
Herman Lease (yearly, April)	\$ 5,600	\$1,120	\$2,240	\$2,240	-
Total	\$44,800	\$10,920	\$21,840	\$12,040	-

*

Amounts shown are for the lease periods years 4 through 7, a total of 1 years that remains after 2013, the second year of the lease period.

**

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.

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.

d)

On October 3, 2013, the Board of Directors approved a Private Placement financing of up to 5,000,000 units of the Company (Unit) at a price of \$0.05 per Unit for gross proceeds of up to \$250,000. 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 \$0.15 for a period of 18 months. As of December 31, 2014, the Company issued \$500,000 worth of units. The shares sold consist of \$3,000 paid on accounts payable for Pixellight of Boise, Idaho. Another non-cash transaction of \$15,000 was traded for professional and accounting services, and \$20,000 was issued for convertible debt in 2013. The net cash received was \$462,000. Pursuant to the Private Placement agreement, the common shares and warrant certificates were issued at the closing of the placement. The warrants will be good for 18 months, and exercisable at \$0.15.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required for smaller reporting companies.

Table of Contents

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TABLE OF CONTENTS

	Page
Report of Independent Registered Public Accounting Firm	24
Consolidated Balance Sheets at December 31, 2014 and 2013	25
Consolidated Statements of Operations and Comprehensive Income (Loss) for the years ended December 31, 2014 and 2013	26
Consolidated Statements of Cash Flows for the years ended December 31, 2014 and 2013,	27
Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the years ended December 31, 2014 and 2013	28
Notes to Consolidated Financial Statements	29 - 36

Table of Contents

Table of Contents**Thunder Mountain Gold, Inc.****Consolidated Balance Sheets***December 31, 2014 and December 31, 2013*

	December 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 31,992	\$ 35,882
Prepaid expenses and other assets	15,926	12,717
Total current assets	47,918	48,599
Other assets:		
Investment in Owyhee Gold Trust LLC joint venture	479,477	479,477
Total assets	\$ 527,395	\$ 528,076
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 77,775	\$ 70,688
Note payable (Note-4)	-	25,000
Related party convertible notes payable, net of discount (Note 7)	38,435	-
Total current liabilities	116,210	95,688
Commitments (Note 2)		
Stockholders' equity:		
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;		
40,167,549 and 31,467,549 shares issued and outstanding,		
respectively	40,168	31,468
Additional paid-in capital	3,869,071	3,429,279
Less: 11,700 shares of treasury stock, at cost	(24,200)	(24,200)
Stock subscription receivable	(50,000)	-
Accumulated deficit	(3,423,854)	(3,004,159)
Total stockholders' equity	411,185	432,388

Total liabilities and stockholders' equity	\$ 527,395	\$ 528,076
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The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**Thunder Mountain Gold, Inc.****Consolidated Statements of Operations***For the years ended December 31, 2014 and 2013.*

	Years Ended December 31,	
	2014	2013
Revenue:		
Joint venture management fee income	\$ -	\$ 53,203
Total revenue	-	53,203
Expenses:		
Exploration expenses	19,905	65,204
Professional services	194,934	91,942
Management and administrative	198,048	184,148
Directors' fees	-	89,038
Gain on sale of equipment	-	(15,000)
Depreciation	-	109
Total expenses	412,887	415,261
Other income (expense):		
Interest and dividend income	-	762
Interest expense	(6,808)	(10,925)
Gain on change in fair value of derivative warrant liability	-	508,012
Total other income (expense)	(6,808)	497,849
Net income (loss) before income taxes	(419,695)	135,791
Provision for income taxes	-	-
Net income (loss)	\$ (419,695)	\$ 135,791
Net income (loss) per common share-basic and diluted	\$ (0.01)	Nil
Weighted average common shares outstanding-basic and diluted	35,369,494	30,673,690

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

Table of Contents**Thunder Mountain Gold, Inc.****Consolidated Statements of Cash Flows***For the years ended December 31, 2014 and 2013*

	2014	2013
Cash flows from operating activities:		
Net income (loss)	\$ (419,695)	\$ 135,791
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation	-	109
Gain on sale of equipment	-	(15,000)
Stock-based compensation	-	89,038
Stock issued for services	15,000	-
Amortization of notes payable discounts	1,927	9,425
Gain on change in fair value of derivative warrant liability	-	(508,012)
Change in:		
Prepaid expenses and other assets	(3,209)	40,603
Accounts payable and other liabilities	10,087	13,923
Net cash used by operating activities	(395,890)	(234,123)
Cash flows from investing activities:		
Proceeds from sale of equipment	-	5,000
Net cash provided by investing activities	-	5,000
Cash flows from financing activities:		
Proceeds from sale of common stock and warrants, net of offering costs	367,000	43,500
Borrowing on related party notes payable	50,000	35,000
Payments on related party notes payable	(25,000)	-
Borrowing on convertible notes payable	-	20,000
Net cash provided by financing activities	392,000	98,500
Net increase (decrease) in cash and cash equivalents	(3,890)	(130,623)
Cash and cash equivalents, beginning of year	35,882	166,505
Cash and cash equivalents, end of year	\$ 31,992	\$ 35,882

Non-cash investing and financing activities:

Stock issued for accounts payable	\$ 3,000	\$ -
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Stock issued for convertible note payable	\$	-	\$	20,000
Beneficial conversion feature on note payable	\$	-	\$	9,425
Beneficial conversion feature on related party convertible notes payable	\$	13,492	\$	-
Equipment exchanged for related party note payable	\$	-	\$	10,000

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

Table of Contents**Thunder Mountain Gold, Inc.****Consolidated Statements of Changes in
Stockholders Equity (Deficit)***For the years ended December 31, 2014 and 2013*

	Common Stock		Additional	Treasury	Stock	Accumulated	Total
	Shares	Amount	Paid-In Capital	Stock	Subscription Receivable	Deficit	
Balances at December 31, 2012	30,167,549	\$ 30,168	\$3,268,616	\$(24,200)	-	\$ (3,139,950)	\$ 134,634
Stock and warrants issued for private placement, net	900,000	900	42,600				43,500
Stock issued for convertible debt	400,000	400	19,600				20,000
Beneficial conversion feature on convertible note payable			9,425				9,425
Stock options issued for services			89,038				89,038
Net income - 2013						135,791	135,791
Balances at December 31, 2013	31,467,549	\$ 31,468	\$ 3,429,279	\$(24,200)	-	\$ (3,004,159)	\$ 432,388
Sale of stock and warrants, net	8,340,000	8,340	408,660		(50,000)		367,000
Stock issued for services	300,000	300	14,700				15,000
Stock issued for accounts payable	60,000	60	2,940				3,000
Beneficial conversion feature on related party convertible notes payable			13,492				13,492
Net loss - 2014						(419,695)	(419,695)
Balances at December 31, 2014	40,167,549	\$ 40,168	\$ 3,869,071	\$(24,200)	\$(50,000)	\$ (3,423,854)	\$ 411,185

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

Table of Contents

Thunder Mountain Gold, Inc.

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, which continue today.

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 historically incurred losses and does not have sufficient cash at December 31, 2014 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. Additionally, the current capital markets and general economic conditions in the United States are significant obstacles to raising the required funds. 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.

Exploration Stage Entities

In June 2014 the Financial Accounting Standards Board issued Accounting Standard Update No. 2014-10 (the ASU). This update changes the requirements for disclosures as it relates to exploration stage entities. The ASU specifies that certain information is no longer required to be presented in the financial statements of an exploration stage entity. The ASU is effective for annual reporting periods beginning after December 15, 2014 and interim periods therein, with early application permitted. The Company has adopted the ASU during the year ended December 31, 2014.

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 or cash flows.

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations, continued:

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. after elimination of the intercompany accounts and transactions.

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. The more significant areas requiring the use of management estimates and assumptions include the carrying value of properties and mineral claims, environmental remediation liabilities, deferred tax assets, stock options granted and the fair value of financial and derivative 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. The Company has evaluated all tax positions for open years and has concluded that it has no material unrecognized tax benefits.

Fair Value Measures

Accounting Standard Codification (ASC) Topic 820, Fair Value Measurements requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC820 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:

The Company discloses the following information for each class of assets and liabilities that are measured at fair value:

1.

the fair value measurement;

2.

the level within the fair value hierarchy in which the fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3);

3.

for fair value measurements using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following:

a.

total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings, and a description of where those gains or losses included in earnings are reported in the statement of operations;

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations, continued:

b.

the amount of these gains or losses attributable to the change in unrealized gains or losses relating to those assets or liabilities still held at the reporting period date and a description of

where those unrealized gains or losses are reported;

c.

purchases, sales, issuances, and settlements (net); and

d.

transfers into and/or out of Level 3.

4.

the amount of the total gains or losses for the period 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 and a description of where those unrealized gains or losses are reported in the statement of operations; and

5.

in annual periods only, the valuation technique(s) used to measure fair value and a discussion of changes in valuation techniques, if any, during the period.

The table below sets forth the Company's financial assets that were accounted for at fair value on a recurring basis as of December 31, 2014 and 2013:

	Balance	Balance	Input
	December 31, 2014	December 31, 2013	Hierarchy level
Cash and cash equivalents	\$ 31,992	\$ 35,882	Level 1

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.

Investments in Joint Venture

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

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.

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.

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

1.

Summary of Significant Accounting Policies and Business Operations, continued:

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 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements - Going Concern. The provisions of ASU No. 2014-15 require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently assessing the impact of ASU No. 2014-15 on the

Company's consolidated financial statements once adopted.

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 warrants to purchase the Company's common stock.

As of December 31, 2014 and 2013, the remaining potentially dilutive common stock equivalents not included in the calculation of diluted earnings per share as their effect would have been anti-dilutive are:

	2014	2013
Stock options	2,990,000	2,990,000
Warrants	5,015,000	650,000
Total possible dilution	8,005,000	3,640,000

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

2. Commitments

On March 21, 2011, the Company signed an exploration agreement with Newmont Mining Corporation on the Company's Trout Creek Project (the 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. Newmont agreed to extend the date for completion of the work commitment to June 22, 2013. The Company met this requirement, and had total expenditures of \$160,314 on this project through December 31, 2014.

Additionally, the Company is required to spend \$300,000, including \$150,000 in drilling expenditures, on the project in third year, or by March 22, 2014. This date has been extended by Newmont to the end of 2015.

3.

South Mountain Project LLC

On November 8, 2012, the Company and Idaho State Gold Company, LLC (ISGC) formed the Owyhee Gold Trust, LLC, (OGT) a limited liability company. The Company's contribution for its membership units was its South Mountain Mine property and related mining claims located in southwestern Idaho in Owyhee County which had a carrying value of \$479,477 at the date of contribution. As its initial contribution to OGT, ISGC agreed to fund operations totaling \$18 million; or \$8 million if the Company exercises its option to participate pro-rata after ISGC expends \$8 million. ISGC is also the manager of the joint venture. Upon payment of \$1 million, and a work commitment of \$2 million in pre-determined qualifying expenditures not later than December 31, 2014, ISGC will receive 2,000 units representing a vested 25% ownership. As of December 31, 2014, the Company has not issued any ownership units. The Company accounts for its investment in the OGT by the cost method.

4.

Notes Payable

On June 6, 2013, the Company received funds of \$20,000 from Jim Collord, a director. In accordance with the terms of the note, the Company pays Mr. Collord 1% per month for interest. See Note 7.

On July 31, 2013 the Company received \$20,000 from Rolf Hess, a stockholder, 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 December 1, 2013. The convertible promissory note contained the option for the holder to convert any portion of the principal and interest into Company common stock at 75% of the average closing bid price of the stock for the twenty trading days ending the day prior to the conversion. At inception, management determined the conversion price would have been \$0.054. On that date, the market price for the Company's common stock exceeded the conversion price as calculated.

The convertible note contained a beneficial conversion feature of \$9,425 which was recognized as a discount on the note on the date of issuance. The discount was amortized over the note term using the straight-line method, which approximates the effective interest method. For the year ended December 31, 2013, the Company recorded \$9,425 in interest expense related to the amortization of the discount. This note was converted to common stock and warrants in the private placement on December 1, 2013 (See Note 2).

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

5.

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 October 3, 2013, the Board of Directors approved a Private Placement financing of up to 5,000,000 units of the Company (Unit) at a price of \$0.05 per Unit for gross proceeds of up to \$250,000. 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 \$0.15 for a period of 18 months.

Pursuant to a Selling Agreement, the Selling Agent was entitled to compensation in the following form: (a) a cash commission equal to 10% of the price of the Units sold; (b) an additional cash commission of 10% of gross proceeds received from the exercise of Warrants issued as part of such Units or any other equity investment made by investors introduced by the Agent within a 24 month period following closing; and (c) non-transferable broker warrants to purchase a number of additional Units equal to 5% of Units sold by the Agent in the initial offering. The Agent Warrants have the same exercise price and terms as the Warrants. Through December 31, 2014, 15,000 agent warrants have been issued, and \$1,500 in commissions were paid based on the sale of 300,000 shares.

Through December 31, 2014 the Company received \$460,000 in gross proceeds from the Private Placement, issuing a total 9,240,000 in common stock and 4,620,000 common stock purchase warrants.

For the year ended December 31, 2014, the Company received \$417,000 in gross proceeds, issued 8,340,000 in shares of common stock and 4,170,000 common stock purchase warrants.

On December 1, 2013, the Company converted a note payable to Rolf Hess in the amount of \$20,000; into 400,000 shares of common stock and 200,000 common stock purchase warrants, under same terms as private placement.

In the 4th Quarter ending December 31, 2014, the Company awarded 300,000 in common shares and 150,000 common stock purchase warrants, in lieu of \$15,000 cash for Professional services, legal and accounting.

Pixellight of Boise, Idaho developed photos to be used in advertising and brochures by Thunder Mountain Gold. On October 1, 2014, in lieu of payment on account of \$3,000, Pixellight elected to participate in the private placement, and received 60,000 common shares and 30,000 common stock purchase warrants.

The following is a summary of warrants as of December 31, 2014.

Outstanding Warrants:	Share Equivalent Warrants	Exercise Price	Expiration Date
Warrants outstanding December 31, 2012	8,616,271	\$ 0.28	
Warrants expired	(8,616,271)	0.28	
Warrants issued	650,000	0.15	June, 2015
Total warrants outstanding at December 31, 2013	650,000	0.15	June, 2015
Warrants issued	4,365,000	0.15	July 2015 - June 2016
Total warrants outstanding at December 31, 2014	5,015,000	\$ 0.15	June 2015 - June 2016

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

6.

Stock Options

The Company has established a Stock Option Incentive Plan to authorize the granting of stock options up to 10 percent of the total number of issued and outstanding shares of common stock to employees, directors and consultants. Upon exercise of options, shares are issued from the available authorized shares of the Company. Option awards are generally granted with an exercise price equal to the fair market value of the Company's stock at the date of grant.

During 2013, the Company granted 990,000 non-qualified stock options to certain officers, directors and outside consultants with an exercise price of \$0.09. Shareholder approval for the award was granted on April 30, 2013.

The options immediately vested. Management valued the options as of the date of grant using a Black-Scholes option pricing model resulting in \$89,038 expense being recorded.

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

Stock price	\$	0.09
Exercise price	\$	0.09
Expected volatility		302.9%
Expected dividends		-
Expected terms (in years)		5.0
Risk-free rate		0.68%
Expected forfeiture rate		-

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

	Shares	Weighted Average Exercise Price
Outstanding at December 31, 2012	2,000,000	\$ 0.27
Granted in 2013	990,000	0.07
Outstanding and exercisable at December 31, 2013 and 2014	2,990,000	\$ 0.34
Weighted average fair value of options granted during the year ended December 31, 2013		\$ 0.09

The average remaining contractual term of the options outstanding and exercisable at December 31, 2014 was 3.35 years. There were no options vested or granted during the year ended December 31, 2014. As of December 31, 2014 options outstanding and exercisable had an aggregate intrinsic value of \$0.

7.

Related Party Transactions

In July 2013, a Company vehicle with no book value was transferred to Mr. Collord in satisfaction of \$10,000 of the Note (See Note 4), which resulted in a \$10,000 gain on the disposal of the asset. During August 2013, Mr. Collord advanced an additional \$15,000 to the Company under a new note. The total amount of \$25,000 was due on February 28, 2014. The note and related accrued interest was paid in full the first quarter of 2014.

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

7.

Related Party Transactions continued:

On December 9, 2014 the Company executed two convertible notes payable to directors, Eric Jones, and Jim Collard. The amount of the notes was \$25,000 each for a total of \$50,000. The interest rate on these notes is 10% per month of the principle balance. The notes are due in full no later than July 1, 2015, and have a minimum amount due of 5 months of interest if the loan is paid back earlier. The interest of \$3,920 was recognized in the year ending December 31, 2014.

The convertible note contained a beneficial conversion feature of \$13,492 which was recognized as a discount on the note on the date of issuance. The discount was amortized over the note term using the straight-line method, which approximates the effective interest method. For the year ended December 31, 2014, the Company recorded \$1,927 in interest expense related to the amortization of the discount.

8.

Income Taxes

The Company did not recognize a tax provision or benefit for the years ended December 31, 2014 and 2013.

At December 31, 2014 and 2013, the Company had deferred tax assets which were fully reserved by valuation allowances due to the likelihood of expiration of these deferred tax benefits prior to the Company generating future taxable income sufficient to utilize the deferred tax benefits to reduce tax expense from those future periods. The deferred tax assets were calculated based on an expected blended future tax rate of 38% for federal and Idaho state purposes. Following are the components of such assets and allowances at December 31, 2014 and 2013:

	2014	2013
Deferred tax assets arising from:		
Net operating loss carryforwards	\$ 1,754,000	\$ 1,651,000
Non-deductible share-based compensation	163,000	163,000
Exploration costs	169,000	190,000
Total deferred tax assets	2,086,000	2,004,000
Less valuation allowance	(2,086,000)	(2,004,000)
Net deferred tax asset	\$ -	\$ -

As of December 31, 2014 and 2013, the Company has approximately \$4.6 million and \$4.3 million, respectively, of federal and state net operating loss carryforwards that expire in 2028 through 2034.

The income tax benefit shown in the financial statements for the year ended December 31, 2014 and 2013, differs from the federal statutory rate as follows:

	2014		2013	
(Provision) benefit at statutory rates	\$ 147,000	35%	\$ 47,000	35%
Change in fair value of derivative liabilities	-	-	178,000	131%
State taxes	11,000	2.6%	20,000	14%
Prior year change in estimate	(76,000)	-19.6%	(40,000)	-29%
Increase in valuation allowance	(82,000)	-18%	(205,000)	-151%
Total	\$ -		\$ -	

The Company has analyzed its filing positions in all jurisdictions where it is required to file income tax returns and found no positions that would require a liability for unrecognized income tax benefits to be recognized. The Company is subject to possible tax examinations for the years 2012 through 2014. The Company will deduct interest and penalties as interest expense on the financial statements.

Table of Contents

Thunder Mountain Gold, Inc.

Notes to Consolidated Financial Statements

9.

Subsequent Events

On February 6, 2015, the Board approved a grant of one million options under the Stock Incentive Plan (SIP) to Directors, Executive Officers and other non-employees consultants. The options have a strike price of \$0.06. The option certificates will reflect the actual date of the issuance of February 6, 2015. The SIP was approved by shareholder during the January 20, 2015 annual shareholder meeting.

Table of Contents

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

During the year ended December 31, 2014, there were no changes in independent audit firms or consulting firms who provide accounting assistance.

During the year ended December 31, 2014, there were no disagreements between the Company and its independent certified public accountants concerning accounting and financial disclosure.

ITEM 9A - 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.

Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of its Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting in accordance with accounting principles generally accepted in the United States of America. Management evaluates the effectiveness of the Company's internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework. Management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2012 and concluded that it is ineffective in assuring that the financial reports of the Company are free from material errors or misstatements.

Early in the fiscal year, Management acted upon a material weakness identified in the previous year, and took action to remedy and remove the weakness in its internal controls over financial reporting:

Lack of an independent board of directors, including an independent financial expert. In January 2013, the Company added two independent directors, and later in the year, added another independent director, after one added in January resigned for personal reasons. The current board is composed of seven members, five of whom are independent, and may be expanded to as many as nine members as permitted under the Company's Articles of Incorporation and By-Laws. The Company also maintains an Audit Committee, and Compensation Committee, both of which are composed of independent Directors.

Table of Contents

Management's Remediation Initiatives.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks.

The Company has a CFO that is independent from the Board. This CFO initiates and records transactions. The transactions are reviewed and approved by the Company's President and CEO, and also reviewed by the Company's Audit Committee. Yet, the Company clearly recognizes, and continues to recognize, the importance of implementing and maintaining disclosure controls and procedures and internal controls over financial reporting and is working to implement an effective system of controls. Management is currently evaluating avenues for mitigating our internal controls weaknesses, but mitigating controls that are practical and cost effective may not be found based on the size, structure, and future existence of our organization.

Changes in internal controls over financial reporting

During the year ended December 31, 2014, 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. Subsequent to the close of the year, an additional independent director was added to help alleviate the material weakness identified above.

ITEM 9B - OTHER INFORMATION

None.

Table of Contents**PART III****ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

This section sets forth certain information with respect to the Company's current directors and executive officers, as well as information about appointments subsequent to the fiscal year ended December 31, 2014.

Directors and Executive Officers:

Name	Age	Office with the Company	Appointed to Office
Eric T. Jones	52	President, Chief Executive Officer, Director	Since 2006
Larry Thackery		Chief Financial Officer	Since January 2013
E. James Collord	67	Chief Operating Officer, Director	Since 1978
Edward D. Fields	76	Director	Since March 2006
Douglas J. Glaspey	60	Director	Since June 2008
Larry D. Kornze	64	Director	Since January 2013
Joseph H. Baird	60	Director	Since January 9, 2014

Background and experience:

Eric T. Jones has over 25 years of mining, and financial experience, with a B.S. in Geological Engineering from the University of Idaho. Mr. Jones joined the Board of Thunder Mountain Gold in 2006, and the Board appointed him to

the position of Secretary/Treasurer in 2007. In February 2008, Mr. Jones joined the management of Mountain Gold, Inc. as Chief Financial Officer, and Vice President of Investor Relations. In 2011 Mr. Jones was appointed President and Chief Executive Officer. Mr. Jones was General Mine Manager at Dakota Mining`s Stibnite Mine gold heap leach operation in central Idaho. He has held management positions for Hecla Mining at their Yellow Pine Mine, Stibnite, Idaho, and Environmental Manager at their Rosebud Mine, Lovelock, Nevada. Prior to working with Hecla, Eric was the mine engineer at the Cactus Gold Mine in southern California, and has worked throughout the western U.S. in both precious metals and oil and gas exploration.

Larry Thackery has a Bachelor`s of Science in Accountancy from Weber State University, and over thirty years experience of a progressive accounting/operations career. On January 8, 2013, the Company appointed Larry Thackery as its Chief Financial Officer. Mr. Thackery brings a wide array of experience/knowledge from different industries, including work in retail with Mrs Fields Cookies and Snug Co, to distribution with Idacold, and manufacturing with Baseline Inc., Nexedge Inc., and Levelution. Mr. Thackery has a background in corporate planning, financial analysis, and financial reporting. He is an experienced accounting controller and operations manager with strong analytical skills, computer experience, and proven successful operations development. Hands on experience with the overall operations process, inventory system, variance reporting, budgeting, and forecasting financial analysis of multimillion-dollar corporations. Mr. Thackery brings knowledge with several ERP, MRP, packages, and statistical analysis. Strong P&L track record with functional management experience developing and managing operating budgets.

Table of Contents

E. James Collord has a MS degree in exploration geology from the Mackay School of Mines, University of Nevada, Reno (1980). He has been a mining professional for 37 years, employed in a variety of capacities, including mill construction superintendent, exploration geologist, mine construction and reclamation manager, and in environmental and lands management. During the period 1975 through 1997, Mr. Collord worked for Freeport Exploration where he worked with a successful exploration team that discovered several Nevada mines. Later in his Freeport career, he managed mining operations and lead permitting efforts. For the period 1997 through 2005, Mr. Collard was Environmental and Lands Superintendent at Cortez Gold Mines, a large Nevada mine that was a joint venture between Placer Dome and Kennecott Minerals. After retirement from Cortez, and until his employment by Thunder Mountain Gold, Inc. in April 2007, he managed the Elko offices for environmental and hydrogeologic consulting groups. He is the grandson of Daniel C. McRae, the original locator of the gold prospects in the Thunder Mountain Gold Mining District in the early 1900s.

Edward D. Fields is a professional mineral resource geologist with over 40 years of experience. He was Manager of Mineral Resources for Boise Cascade Corporation (1983-1999), and was responsible for the discovery of a significant underground gold resource in Washington State. He also worked for Kennecott Copper Company at their Ok Tedi Mine in Papua New Guinea and as Chief Geologist for the Duval Corporation at the Battle Mountain, Nevada copper-gold mine. Mr. Fields has a MS degree in geology from the University of Wyoming.

Douglas J. Glaspey is currently President and Chief Operating Officer of U.S. Geothermal, Inc. Mr. Glaspey has 29 years of operating and management experience with experience in production management, planning and directing resource exploration programs, preparing feasibility studies and environmental permitting. He formed and served as an executive officer of several private resources companies in the U.S., including Drumlummon Gold Mines Corporation and Black Diamond Corporation. He holds a BS degree in Mineral Processing and an Associate of Science in Engineering Science.

Larry D. Kornze, B.Sc. joined the Board in January 2013, and is geological engineer with over 45-years experience in the precious metals industry. Mr. Kornze was the General Manager of Exploration and U.S. Exploration Manager for Barrick Gold Corporation (NYSE: ABX) from 1987 to 2001, on projects ranging from the Americas to International projects, including Mexico, Central America, China, Philippines, Myanmar, Ethiopia, Uzbekistan, Kyrgyzstan, Indonesia, Peru, Bolivia, Ecuador, Venezuela, and Dominican Republic. Mr. Kornze directed minesite exploration activities for the Barrick Goldstrike Mine, and the Betze, Meikle, Deepstar, Screamer, and Rodeo deposits. He managed the Betze/Deep Post reserve development drilling and reserve estimation, along with general U.S. exploration. Mr. Kornze was Chief Geologist for Operations and New Projects at Barrick Mercur Gold Mines, Inc. from 1985 – 1986. Prior to working for Barrick, Mr. Kornze was Chief Geologist for Newmont Mines Ltd., Similkameen Division, B.C., and Newmont Mining Corporation (NYSE: NEM) of Canada from 1968 to 1981. Mr.

Kornze has a B.Sc. Geological Engineering, Colorado School of Mines, and is a Professional Engineer of the Province of British Columbia. He also serves as a director of other Toronto Stock Exchange Venture listed mining companies.

Joseph H. Baird was appointed as Director on January 9, 2014. Mr. Baird brings over 30 years of mineral law experience to Thunder Mountain Gold. Mr. Baird is currently a partner in the Boise, Idaho law firm of Baird Hanson LLP, which firm has been lead counsel for permitting more mining projects in Idaho than any other law firm. Mr. Baird has provided environmental and mining counsel to a wide variety of New York Stock Exchange, Toronto Stock Exchange and venture capital mineral companies, including base and precious metal production companies, industrial mineral producers, exploration and mineral land management companies. He currently sits on the Board of the American CuMo Mining Corporation, which is advancing the largest un-mined molybdenum deposit in the world in Boise County, Idaho.

Effective September 5, 2014, R. Llee Chapman resigned as a Director of Thunder Mountain Gold, Inc. There was no known disagreement with Mr. Chapman on any matter relating to the Company's operations, policies or practices.

Directorships in reporting companies:

Table of Contents

Doug Glaspey is the only directors of the Registrant that is a director of another corporation subject to the requirements of Section 12 or Section 15(d) of the Exchange Act of 1934.

Significant Employees:

Jim Collord commenced working for the Company in April 2007 when work on evaluation of South Mountain intensified. Eric T. Jones became an employee in February 2008. Both Jim Collord and Eric T. Jones voluntarily reduced their salaries to \$1 per month during the early part of 2012 until the financial strength of the Company improved about November of 2012. Jim Collard and Eric Jones again suspended their salaries in July of 2013, so the company can secure financial footing.

Family Relationships:

None.

Involvement in Certain Legal Proceedings:

None of the officers and directors of the Registrant have been involved in any bankruptcy, insolvency, or receivership proceedings as an individual or member of any partnership or corporation; none have ever been convicted in a criminal proceeding or is the subject of a criminal proceeding presently pending. None have been involved in proceedings concerning his ability to act as an investment advisor, underwriter, broker, or dealer in securities, or to act in a responsible capacity for an investment company, bank savings and loan association, or insurance company or limiting his activity in connection with the purchase and sale of any security or engaging in any type business practice. None have been enjoined from engaging in any activity in connection with any violation of federal or state securities laws nor been involved in a civil action regarding the violation of such laws.

Section 16(a) Beneficial Ownership Reporting Compliance:

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers and persons who beneficially owns more than ten percent of a registered class of the Company's equity securities to file with the SEC initial reports of ownership and reports of change in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent shareholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. To our knowledge, no persons failed to file on a timely basis, the identified reports required by Section 16(a) of the Exchange Act during fiscal year ended December 31, 2014.

Audit Committee:

The Company's Board of Directors is responsible for the oversight and management of the Company. On January 28, 2010, an Audit Committee was designated from members of the Board and consists of Douglas Glaspey and Edward Fields as independent members of the committee.

Compensation Committee:

There is currently no Compensation Committee of the Board of Directors. Compensation of employees is reviewed and approved by the Board.

Code of Ethics:

The Board of Directors has formally adopted a Code of Ethics in 2010. This Code of Ethics is published on the Company's website.

Table of Contents

Indemnification of Directors and Officers:

The Company's By-Laws address indemnification of Directors and Officers. Nevada law provides that Nevada corporations may include within their articles of incorporation provisions eliminating or limiting the personal liability of their directors and officers in shareholder actions brought to obtain damages for alleged breaches of fiduciary duties, as long as the alleged acts or omissions did not involve intentional misconduct, fraud, a knowing violation of law or payment of dividends in violation of the Nevada statutes. Nevada law also allows Nevada corporations to include in their Articles of Incorporation or Bylaws provisions to the effect that expenses of officers and directors incurred in defending a civil or criminal action must be paid by the corporation as they are incurred, subject to an undertaking on behalf of the officer or director that he or she will repay such expenses if it is ultimately determined by a court of competent jurisdiction that such officer or director is not entitled to be indemnified by the corporation because such officer or director did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation.

The Company's Articles of Incorporation provide that a director or officer is not personally liable to the Company or its shareholders for damages for any breach of fiduciary duty as a director or officer, except for liability for: (i) acts or omissions which involve intentional misconduct, fraud or a knowing violation of law, or (ii) the payment of distributions in violation of Nevada Revised Statutes, §78.300. In addition, Nevada Revised Statutes §78.751 and Article VII of the Company's Bylaws, under certain circumstances, provide for the indemnification of the officers and directors of the Company against liabilities which they may incur in such capacities.

ITEM 11 - EXECUTIVE COMPENSATION

On November 29, 2012 the Board approved a grant of 990 thousand options under the SIP to Directors, Executive Officers and other non-employees consultants. Shareholder approval for the award was granted on April 30, 2013. The options immediately vested. Management valued the options as of the date of grant using a Black-Scholes option pricing model resulting in \$89,038 expense being recorded.

On February 6, 2015, the Board approved a grant of one million options under the SIP to Directors, Executive Officers and other non-employees consultants. The options have a strike price of \$0.06. The option certificates will reflect the actual date of the issuance of February 6, 2015. The SIP was approved by shareholder during the January 20, 2015 annual shareholder meeting.

Summary Compensation Table

Compensation to directors also included reimbursement of out-of-pocket expenses that are incurred in connection with the Directors' duties associated with the Company's business. There is currently no other compensation arrangements for the Company's Directors. The following table provides certain summary information for the fiscal year ended December 31, 2014, 2013, and 2012 concerning compensation awarded to, earned by or paid to our Chief Executive Officer, Chief Financial Officer and three other highest paid executive officers, including the Directors of the Company:

Table of Contents

Name and Position	Year	Salary (\$US)	Bonus (\$US)	Stock Awards (\$US)	Option Awards (\$US)	Incentive Plan Compensation (\$US)	Deferred Compensation Earnings (\$US)	All Other Compensation/ Directors Fee (\$US)	Total (\$US)
Jim Collord,	2014	-	-	-	-	-	-	-	\$ -
V.P./COO	2013	36,510	-	18,000	-	-	-	-	\$ 54,510
Eric T. Jones	2014	-	-	-	-	-	-	-	\$ -
President/CEO	2013	29,966	-	18,000	-	-	-	-	\$ 47,966
Larry Thackery	2014	-	-	-	-	-	-	-	\$ -
CFO	2013	-	-	-	-	-	-	-	\$ -
Doug Glaspey	2014	-	-	-	-	-	-	-	\$ -
Director	2013	-	-	9,000	-	-	-	-	\$ 9,000
Edward Fields,	2014	-	-	-	-	-	-	-	\$ -
Director	2013	-	-	9,000	-	-	-	-\$	\$ 9,000
Larry Konze	2014	-	-	-	-	-	-	-	\$ -
Director	2013	-	-	9,000	-	-	-	-	\$ 9,000
Joseph Baird	2014	-	-	-	-	-	-	-	\$ -
Director	2013	-	-	9,000	-	-	-	-	\$ 9,000

There are no compensatory plans or arrangements for compensation of any Director in the event of his termination of office, resignation or retirement.

Table of Contents

Exercise of Options:

There were no stock options exercised by executives or directors in 2014.

Long-term Incentives:

On July 17, 2011, the shareholders approved a Stock Incentive Plan (the "SIP"). The SIP will be administered by the Compensation Committee or Board of Directors and provides for the grant of stock options, incentive stock options, stock appreciation rights, restricted stock awards, and incentive awards to eligible individuals including directors, executive officers and advisors that have furnished bona fide services to the Company not related to the sale of securities in a capital-raising transaction.

The SIP has a fixed maximum percentage of 10% of the Company's outstanding shares that are eligible for the plan pool, whereby the number of Shares under the SIP increase automatically with increases in the total number of shares. This "Evergreen" provision permits the reloading of shares that make up the available pool for the SIP, once the options granted have been exercised. The number of shares available for issuance under the SIP automatically increases as the total number of shares outstanding increase, including those shares issued upon exercise of options granted under the SIP, which become re-available for grant subsequent to exercise of option grants. The number of shares subject to the SIP and any outstanding awards under the SIP will be adjusted appropriately by the Board of Directors if the Company's common stock is affected through a reorganization, merger, consolidation, recapitalization, restructuring, reclassification, dividend (other than quarterly cash dividends) or other distribution, stock split, spin-off or sale of substantially all of the Company's assets.

The SIP also has terms and limitations, including that the exercise price for stock options and stock appreciation rights granted under the SIP must equal the stock's fair market value, based on the closing price per share of common stock, at the time the stock option or stock appreciation right is granted. The SIP is also subject to other limitation including; a limited exception for certain stock options assumed in corporate transactions; stock options and stock appreciation rights granted under the SIP may not be re-priced without shareholder approval; stock-based awards under the SIP are subject to either three-year or one-year minimum vesting requirements, subject to exceptions for death, disability or termination of employment of an employee or upon a change of control; and shareholder approval is required for certain types of amendments to the SIP.

Employment Contracts:

During 2014, there were two paid Company employees - Eric Jones and Jim Collord. They were employed per resolution of the Board and other than a monthly salary, plus normal burden, there are no other contractual understandings in the resolutions. Each is reimbursed for the use of personal office equipment and phones, and Jim and Eric are reimbursed for health insurance and related costs up to a set maximum amount, when the Company is financially able to cover the reimbursements.

2014 Share-Based Payments:

The Thunder Mountain Gold Inc. shareholders granted 2 million options to officers, directors and outside consultants in July 2011. Since the shareholders approved the SIP, the Company will recognize stock compensation expense equal to the fair value of the options granted on the date of approval. No retirement benefit, bonus, stock option or other remuneration plans are in effect with respect to the Company's officers and directors.

On November 29, 2012 the Board approved a grant of 990 thousand options under the SIP to Directors, Executive Officers and other non-employees consultants. Shareholder approval for the award was granted on April 30, 2013. The options immediately vested. Management valued the options as of the date of grant using a Black-Scholes option pricing model resulting in \$89,038 expense being recorded.

Table of Contents

On February 6, 2015, the Board approved a grant of one million options under the SIP to Directors, Executive Officers and other non-employees consultants. The options have a strike price of \$0.06. The option certificates will reflect the actual date of the issuance of February 6, 2015. The SIP was approved by shareholder during the January 20, 2015 annual shareholder meeting.

Employment Contracts and Termination of Employment or Change of Control

We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation or retirement) or change of control transaction.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of shares of the Company's common stock as of December 31, 2014 by:

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the Company's named executive officers;

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the Company's directors;

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all of the Company's executive officers and directors as a group; and each person who is known to beneficially own more than 5% of the Company's issued and outstanding shares of common stock.

**Amount and Nature
of Beneficial**

Name of Shareholder	Ownership	Percent of Class(1)
Directors and Executive Officers		
E. James Collord VP/COO/Dir	1,703,200 ⁽²⁾⁽³⁾	4.27%
Eric T. Jones President/CEO/Dir	2,397,043 ⁽²⁾	6.00%
Edward Fields - Dir	142,393 ⁽²⁾	0.36%
Doug Glaspey - Dir	150,000 ⁽²⁾	0.38%
Larry D. Kornze - Dir	-	-
Joseph H. Baird - Dir	1,000,000 ⁽²⁾	2.51%
Larry Thackery - CFO	100,000 ⁽²⁾	0.25%
G. Peter Parsley ⁽⁴⁾	581,962 ⁽²⁾	1.46%
R. Llee Chapman ⁽⁴⁾	361,800 ⁽²⁾	0.91%
All current executive officers and directors as a group	6,436,398	16.1%
5% or greater shareholders not insiders		
Paul Beckman	2,183,495 ⁽²⁾	5.47%

(1) Based on 39,917,549 shares of common stock issued and outstanding as of December 31, 2014.

(2) Sole voting and investment power.

(3) Includes 50,000 shares held in trust for Mr. Collord's son, Jerritt Collord.

(4) Left the Board in 2014

As of December 31, 2014, the number of shares of common stock that can be sold by officers, directors, principal shareholders, and others pursuant to Rule 144 was 5,336,398. As a condition to our listing on the TSX-V in 2010, our officers and directors were required to deposit their common stock totaling 4,799,239 shares, into an escrow account with Computershare Investor Services, Inc. Those escrowed shares were subject to the TSX-V's Tier 1 escrow requirement at that time. Those requirements provide for an 18 month escrow release mechanism with 25% of the escrowed securities being released on September 24, 2010 (the date our common shares commenced trading on the TSX-V), and 25% of the escrowed securities to be released every 6 months thereafter. As of December 31, 2014, all of the escrowed shares have been released back to the officers and directors.

Table of Contents

Changes in Control:

The Board of Directors is aware of no circumstances which may result in a change of control of the Company.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Transactions with Management and Others:

During the year ended December 31, 2014, we had the following transactions with related parties:

On December 9, 2014 the Company executed two promissory notes payable to directors, Eric T. Jones, and Jim Collord. The amount of the notes was \$25,000 each for a total of \$50,000, and identical in terms. The interest rate on these notes is 10% per month of the principle balance. The notes are due in full no later than July 1, 2015, and have a minimum amount due of 5 months of interest if the loan is paid back earlier. The interest is being expensed monthly, which recorded an interest expense of \$3.920 ending December 31, 2014.

Certain Business Relationships:

There have been no unusual business relationships during the last fiscal year of the Registrant between the Registrant and affiliates as described in Item 404 (b) (1-6) of the Regulation S-K.

Indebtedness of Management:

No Director or executive officer or nominee for Director, or any member of the immediate family of such has been indebted to the Company during the past year.

Directors Stock Purchases

There were no Directors stock purchases during 2014.

Stock transactions for directors and officers were reported on Form 4 and are available on the SEC website.

Director Independence

Douglas Glaspey, Larry Kornze, Joseph Baird, and Edward Fields are independent non-employee members of the Board of Directors, as defined in FINRA Marketplace Rule 4200.

Table of Contents**ITEM 14 - PRINCIPAL ACCOUNTING FEES AND SERVICES**Audit and Non-Audit Fees

The following table presents fees billed to the Company relating to the audit of the Financial Statements at December 31, 2014, as provided by DeCoria, Maichel and Teague, P.S. We expect that DeCoria, Maichel and Teague, P.S. will serve as our auditors for fiscal year 2015. DM-T has served as an independent auditor for the Corporation since the fiscal year ended December 31, 2005. This firm is experienced in the field of accounting and is well qualified to act in the capacity of auditors.

Year Ended	December 31, 2014	December 31, 2013
Audit fees (1)	\$44,571	\$47,338
Audit-related fees (2)	-	-
Tax fees (3)	9,864	5,570
All other fees (4)	-	-
Total Fees	\$54,435	\$52,908

(1) Audit fees consist of fees billed for professional services provided in connection with the audit of the Company's financial statements, and assistance with reviews of documents filed with the SEC.

(2) Audit-related fees consist of assurance and related services that include, but are not limited to, internal control reviews, attest services not required by statute or regulation and consultation concerning financial accounting and reporting standards.

(3) Tax fees consist of the aggregate fees billed for professional services for tax

compliance, tax advice, and tax planning. These services include preparation of federal income tax returns.

(4) All other fees consist of fees billed for products and services other than the services reported above.

The Company's Board of Directors reviewed the audit services rendered by DeCoria, Maichel and Teague, P.S. and concluded that such services were compatible with maintaining the auditors' independence. All audit, non-audit, tax services, and other services performed by the independent accountants are pre-approved by the Board of Directors to assure that such services do not impair the auditors' independence from the Company. The Company does not use DeCoria, Maichel and Teague, P.S. for financial information system design and implementation. We do not engage DeCoria, Maichel and Teague, P.S. to provide compliance outsourcing services.

Table of Contents

PART IV

ITEM 15 EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Documents filed as part of this report on Form 10-K or incorporated by reference:

(1)

Our financial statements can be found in Item 8 of this report.

(2)

Financial Statement Schedules (omitted because they are either not required, are not applicable, or the required information is disclosed in the notes to the financial statements or related notes).

(3)

The following exhibits are filed with this Annual Report on Form 10-K or incorporated by reference:

EXHIBITS

**Exhibit
Number**

Description of Exhibits

3.1*	Articles of Incorporation of Montgomery Mines Inc, October 30, 1935
3.2*	Articles of Amendment, Montgomery Mines Inc., April 12, 1948
3.3*	Articles of Amendment, Montgomery Mines Inc., February 6, 1970
3.4*	Articles of Amendment, Montgomery Mines Inc., April 10, 1978
3.5*	Articles of Amendment, Thunder Mountain Gold, August 26, 1985
3.6*	Articles of Amendment, Thunder Mountain Gold, October 17, 1985
3.7*	Articles of Incorporation, Thunder Mountain Gold Inc. (Nevada), December 11, 2007
3.8*	Bylaws, Montgomery Mines Inc.
3.9*	Bylaws, Thunder Mountain Gold Inc. (Nevada)
10.1*	Agreement and Plan of Merger, Thunder Mountain Gold (Nevada)
21.1**	<u>Subsidiaries of the Registrant</u>
31.1**	<u>Certification of Chief Executive Officer</u> of Periodic Report pursuant to Rule 13a-14(a) and Rule 15d-14(a)(Section 302 of the Sarbanes- Oxley Act of 2002).
31.2**	

Certification of Chief Financial Officer of Periodic Report pursuant to Rule 13a-14(a) and Rule 15d-14(a)(Section 302 of the Sarbanes- Oxley Act of 2002).

32.1** Certificate of Principal Executive Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

32.2** Certificate of Principal Financial Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).

101** The following financial information from our Annual Report on Form 10-K for the year ended December 31, 2014 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, (iv) the Consolidated Statements of Changes in Stockholders Equity (Deficit) and (v) Notes to Financial Statements

* Previously filed as an exhibit to Form 10-KSB, filed on April 16, 2008, SEC File No. 001-08429.

** Filed herewith.

DOCUMENTS INCORPORATED BY REFERENCE

None

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 143 of the Securities 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/ Eric T. Jones

Eric T. Jones

President, Director and Chief Executive Officer

Date: March 30, 2015

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/ Larry Thackery

Larry Thackery

Chief Financial Officer

Date: March 30, 2015

