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THUNDER MOUNTAIN GOLD INC
Form 10KSB
April 30, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-KSB

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

For the fiscal year ended: December 31, 2001
Commission File #001-08429

THUNDER MOUNTAIN GOLD, INC.
(Exact name of Registrant as specified in its charter)

State of Idaho 91-1031075
(State or other jurisdiction of (IRS identification NO.)
incorporation or organization)

3605 E. 16th Avenue 99223
Spokane, Washington
(Address of Principal Executive Officers) (Zip Code)

(509) 535-6092
(Telephone Number of Registrant)

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of Exchange on which Registered
-----	-----
\$0.05 par Value Common Non-Assessable Stock	None

Securities registered under Section 12(b) of the Exchange Act: None

Check whether the issuer (1) filed all reports required by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No[]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulations S-B is met contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of the Form 10-KSB or any amendment to this Form 10-KSB. [] Not Applicable [X]

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of December 31, 2001 was \$289,325. This figure is based on estimated bid price of \$0.04.

Issued and outstanding common capital stock as of December 31, 2001.

9,727,852 shares of common \$0.05 par value stock non -assessable.

No documents are Incorporated by reference.

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Transitional small business disclosure format: Yes [] No [X]

PART 1

ITEM 1. DESCRIPTION OF BUSINESS

(a) GENERAL DEVELOPMENT OF BUSINESS.

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 August 1985, the Company's shareholders approved an increase in the authorized common stock, \$0.05 par value, from 7,500,000 shares to 12,000,000 shares. Quotations of the bid and ask prices for the stock are published by the Spokane Quotations Service of Spokane, Washington.

The Company was originally incorporated with the goal to consolidate, explore and to develop (or seek a larger mining company to develop under an arrangement favorable to the Company) its primary property located in the Thunder Mountain Mining District in central Idaho. A number of exploration companies had conducted exploration activities on the Company's claims prior to and subsequent to incorporation, including Homestake Mining, Nevex Ltd., Placer Amex, Superior Mining, Phillips Petroleum and Coeur 'd Alene Mines.

The Company's precious metal property at Thunder Mountain ultimately was placed into operation in 1986 by Coeur 'd Alene Mines with production from the Sunnyside Deposit reported at 85,000 ounces of gold and 116,000 ounces of silver. Coeur 'd Alene ceased production in 1990 and relinquished their lease on the claims. Subsequently the area was leased to and explored by several other exploration/mining companies, including Kennecott and USMX/Dakota Mining. A joint venture between the Company and Dewey Mining unified the mining district during this period, and USMX/Dakota Mining expended approximately \$5 million to explore the district and define a measured mineral resource of 5,390,000 tons averaging 0.047 ounces per ton gold (using a then-current gold price of \$400 per ounce) hosted in a volcanic caldera sequence on the Dewey property. Bankruptcy by Dakota Mines provided an opportunity for the Company and Dewey Mining to acquire the consolidated district for future development. USMX/Dakota Mining had initiated an Environmental Impact Statement and other permitting requirements to develop the measured mineral resource, and the Company and Dewey Mining continued these efforts for a period of time.

During 2000, the Company and Dewey Mining entered into an Option Agreement with Trust for Public Lands to purchase the consolidated mining district. The Trust for Public Lands is a nonprofit organization dedicated to the preservation of nature for human enjoyment and well being. The Thunder Mountain Mining District is located on a "cherry-stem" within the Frank Church River of No Return Wilderness that was specifically outlined to allow continued development of the historic mining area. Due to its location, the Company's land position is a candidate for purchase by the United States Forest Service through the Land and Water Conservation Funds. The Option recognizes a minimum acceptable value for the measured mineral resource and real property, and if this is not met, the Company maintains the ability to continue development of the property. All permitting efforts have been, for the time being, placed on hold pending the completion of the initial appraisal. The Option Agreement has been extended beyond the original specified timeframe due to delays in securing an appraiser. It is anticipated that the initial appraisal review will be completed by mid-2002.

The Company also conducted minimal exploration for precious minerals outside of

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the Thunder Mountain Mining District in the western states during 2001. A platinum group metals exploration level property in Nevada was maintained during the year.

1A measured mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters to support production planning and evaluation of the economic viability of the deposit.

PRECIOUS MINERALS PROPERTIES

THUNDER MOUNTAIN AND DEWEY MINING COMPANY JOINT VENTURE LAND POSITION:

1. The Registrant and Dewey Mining Company, through their joint venture agreement, own outright a total of 50-patented lode-mining claims (735.5 acres total) and 272 unpatented lode claims (5,245 acres total). With the exception of one small claim block within the Frank Church River of No Return Wilderness (their location pre-dated the wilderness designation), all of the claims are within the "cherry-stem" that forms a corridor into the wilderness. Mineral development within this cherry-stem is subject to the same regulatory stipulations as the United States Forest Service managed land surrounding the wilderness. Some of the Registrants claims within the cherry stem are partially within the wilderness area, but these were, for the most part, located as protection of the land position more central to the cherry-stem that either has mineral resources or exploration potential.

2. The Registrant has lease with an option to purchase on 4 patented and 40 unpatented lode claims in the Goodsprings Mining District in Clark County, Nevada. Platinum, palladium and gold have historically been produced in the area, and the land position was secured because of its exploration potential. Efforts are ongoing to interest a larger platinum group metals exploration company in the holdings.

THUNDER MOUNTAIN AND DEWEY MINING COMPANY JOINT VENTURE LAND POSITION:

(b) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS.

The Registrant has no other industry segments.

(c) NARRATIVE DESCRIPTION OF BUSINESS.

Refer to ITEM: 1 Description of Business (supra) Subparagraph (i) through (xii) are not applicable to the Registrant.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES.

This paragraph is not applicable to the Registrant.

ITEM 2: PROPERTIES

For continuity and clarity, this information was included in the information set in Item 1.

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ITEM 3: LEGAL PROCEEDINGS.

The Company, along with other impacted entities, including companies, municipalities and various irrigation districts, has been involved in a legal protest against the Federal Government's claims for certain reserved water rights for Wild and Scenic Rivers Act purposes. The matter is in the Idaho State District Court assigned to handle the Snake River Basin water rights adjudication. A settlement has been tentatively reached that is favorable to the Company, and will be a settlement that would maintain sufficient vested and future water rights appropriation for any mining and processing operation. These water rights would also be a valuable part of the ongoing appraisal process by Trust for Public Lands.

The Registrant is involved in no civil rights negotiations or proceedings.

ITEM 4: SUBMISSION OF MATTERS TO VOTE ON SECURITY HOLDERS.

No matters were submitted to vote of the Registrant's security holders during 2001.

PART 11

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

(a) MARKET INFORMATION.

The common stock of the Registrant is traded over-the-counter in Spokane, Washington and its bid and asked prices are quoted on a daily basis by the Spokane Quotation Service, Spokane, Washington.

The bid prices for the Registrant's stock for the years 2001 and 2000 were as follows:

2000	HIGH -----	LOW -----
First Quarter	\$ 0.10	\$ 0.04
Second Quarter	\$ 0.10	\$ 0.10
Third Quarter	\$ 0.10	\$ 0.10
Fourth Quarter	\$ 0.10	\$ 0.10
2001	HIGH -----	LOW -----
First Quarter	\$ 0.10	\$ 0.03
Second Quarter	\$ 0.08	\$ 0.04
Third Quarter	\$ 0.08	\$ 0.05
Fourth Quarter	\$ 0.05	\$ 0.03

(b) APPROXIMATE NUMBER OF EQUITY SECURITY HOLDERS:

Title of Class -----	No. of Record Holders -----
\$0.05 Par Value Common Stock Non-Assessable	2,250 as of December 31, 2001

(c) DIVIDEND HISTORY AND RESTRICTIONS

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The Registrant has not paid any dividends, and does not plan to do so in the foreseeable future as it plans to use its capital to finance the search for additional mineral properties of potential commercial value.

ITEM 6: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

(a) FULL FISCAL YEAR.

Liquidity: The Company has a positive cash-position and has invested funds in a cash management mutual fund. The Company's cash and liquid assets are considered adequate to meet its current and foreseeable obligations. The market value of some of the stock mutual funds decreased substantially during 2001, representing a significant loss.

Expenses for the ensuing year will be incurred for continued search and exploration for additional properties, and for management fees and administrative costs. The Company's required claim maintenance will be paid for its unpatented claims by the Company. It is anticipated that Directors and managerial fees will be minimal during the upcoming year due to the low cash position of the Company. Please refer to the financial statements for additional costs and expenditures and other financial information.

Capital Resources: The Company presently does not intend to make any capital expenditures from its funds. The Company also does not presently have any plans to raise capital through debt or equity financing.

Results of Operations: The Company had no production from operations for 2001. Although additional production units are likely, it is impossible to predict with any certainty when and where the next production unit will be developed. For that reason, it is impossible to predict the future production units.

The Company entered into a purchase option agreement with Trust for Public Lands (TPL) in 2000. Appraisal work commenced late in 2001 and a preliminary appraisal should be completed by mid-2002. The agreement with TPL provides them with an option to acquire both the Company's and Dewey Mining Company's land and mineral position in the Thunder Mountain Mining District, subject to an appraised amount that is acceptable to both entities. The appraisal will value both the private land, unpatented mining claims, mineral value of the defined resource, mineral potential of the Company's holdings, timber, and water rights. The purchaser of the properties would be the United State Forest Service, brokered through TPL. In the event that the appraised amount is acceptable, the Company may determine that it would be in the best interests of the shareholders to move ahead with the sale. The appropriate shareholder approvals would be solicited. If the properties are sold, it is possible that some of the proceeds could be forthcoming late in 2002.

There were no revenues generated by the Company in 2001.

ITEM 7: FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

FINANCIAL STATEMENT
AND
REPORT OF INDEPENDENT AUDITORS

DECEMBER 31, 2001

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

INDEX TO THE FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
Thunder Mountain Gold, Inc.
Spokane, Washington

We have audited the accompanying Balance Sheets of Thunder Mountain Gold, Inc., (An Exploration Stage Company) as of December 31, 2001 and 2000, and the related Statements of Operations, Cash Flows and Changes in Stockholders' Equity for each of the three years ended December 31, 2001, 2000, and 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thunder Mountain Gold, Inc., (An Exploration Stage Company) as of December 31, 2001 and 2000, and the results of its operations, cash flows and changes in stockholders' equity for each of the three years ended December 31, 2001, 2000 and 1999, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 6 to the financial statements, the Company has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 5. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 3 to the financial statements, the financial statements for the years ended December 31, 2000, 1999, and 1998, have been restated to reflect the expensing of mining claims.

/s/ MOE O'SHAUGHNESSY & ASSOCIATES, P.S.

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April 24, 2001
Spokane, Washington

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Balance Sheet
December 31, 2001 and 2000

ASSETS

	2001	2000
	-----	-----
		(Restated - See NOTE 3)
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 5,275	\$ 7,599
Prepaid Expenses	300	300
Investments	84,142	231,923
	-----	-----
Total Current Assets	89,717	239,822
	-----	-----
INVESTMENTS - Non-Current	170	170
	-----	-----
PROPERTY AND EQUIPMENT:		
Office Equipment	7,141	7,141
Mining Claims	-	-
	-----	-----
Total Property and Equipment	7,141	7,141
Less: Accumulated Depreciation	6,970	6,856
	-----	-----
Net Property and Equipment	171	285
	-----	-----
TOTAL ASSETS	\$ 90,058	\$ 240,277
	=====	=====

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

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Balance Sheet
December 31, 2001 and 2000

LIABILITIES AND STOCKHOLDERS' EQUITY

	2001	2000
	-----	-----
		(Restated - See NOTE 3)
CURRENT LIABILITIES:		
Accounts payable	\$ 9,860	\$ -
Accrued Directors and Management Fees	-	16,000
	-----	-----
Total Current Liabilities	9,860	16,000
	-----	-----
STOCKHOLDERS' EQUITY:		
Common Stock, \$0.05 Par Value; 12,000,000 Shares Authorized; 9,727,852 and 9,727,852 Shares Issued Respectively	486,392	486,392
Additional Paid-in Capital	254,222	254,222
Less: 11,700 Shares of Treasury Stock, At Cost	(24,200)	(24,200)
Accumulated Other Comprehensive Income (Loss)	(69,562)	(47,265)
Retained Earnings/ (Deficit)	(566,654)	(444,872)
	-----	-----
Total Stockholders' Equity	80,198	224,277
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 90,058	\$ 240,277
	=====	=====

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

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Statement of Operations
For the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
		(Restated - See NOTE 3)	(Restated - See NOTE
INCOME:			
Royalties	\$ -	\$ -	\$ -
EXPENSES:			
Exploration and Development	74,614	134,572	24,781
Depreciation and Depletion	114	1,830	4,145
Directors' Fees and Professional Services	6,000	18,000	25,000
Legal and Accounting	14,703	6,635	12,340
Management and Administrative	5,200	9,388	23,501
Total Expenses	100,631	170,425	89,767
(LOSS) FROM OPERATIONS	(100,631)	(170,425)	(89,767)
OTHER INCOME:			
Interest and Dividend Income	439	16,198	7,654
Gain (Loss) on Sale of Securities and Assets	(21,589)	51,625	119,163
	(21,150)	67,823	126,817
INCOME (LOSS) BEFORE FEDERAL INCOME TAXES	(121,781)	(102,602)	37,050
PROVISION FOR INCOME TAXES:			
Tax At Statutory Rates	-	-	-
Tax Benefit	-	-	-
NET INCOME (LOSS)	(121,781)	(102,602)	37,050
OTHER COMPREHENSIVE INCOME			
Net of Income Tax: Unrealized Holding Gain (loss)	(22,297)	(196,873)	(24,030)
COMPREHENSIVE INCOME (LOSS)	\$ (144,078)	\$ (299,475)	\$ 13,020

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EARNINGS (LOSS) PER SHARE:

Basic	\$ (0.01)	\$ (0.01)	\$ -
	=====	=====	=====
Diluted	\$ (0.01)	\$ (0.01)	\$ -
	=====	=====	=====

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

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Statement of Cash Flows

For the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
	-----	-----	-----
		(Restated - See NOTE 3)	(Restated - See NOTE 3)
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:			
Net Income (Loss)	\$ (121,781)	\$ (102,602)	\$ 37,050
Non-Cash Expenses, Revenues, Losses And Gains Included in Income:			
Depreciation and Amortization	114	1,830	4,145
Gain on sale of securities and assets	-	(51,625)	(119,163)
Loss on sale of securities and assets	21,589	-	-
Net (Decrease) in payables	(6,140)	(11,706)	(2,993)
	-----	-----	-----
Net Cash Flows Provided (Used) By Operating Activities	(106,218)	(164,103)	(80,961)
	-----	-----	-----
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:			
Purchase Of Investments	(18,622)	(14,019)	(204,886)
Purchase Of Property and Equipment	-	-	(594)
Proceeds from Disposition of Investments	122,516	142,481	244,950
Proceeds from Disposition of Assets	-	7,000	-
	-----	-----	-----
Net Cash Flows Provided (Used) By Investing Activities	103,894	135,462	39,470
	-----	-----	-----
CASH FLOWS (USED) BY FINANCING ACTIVITIES			
Net cash flows (used) by financing activities	-	-	-
	-----	-----	-----
NET INCREASE (DECREASE) IN CASH	(2,324)	(28,641)	(41,489)

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CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	7,599	36,240	77,729
	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 5,275	\$ 7,599	\$ 36,240
	=====	=====	=====

(Continued)

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

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Statement of Cash Flows
For the Years Ended December 31, 2001, 2000, and 1999

	2001	2000	1999
	-----	-----	-----
		(Restated - See NOTE 3)	(Restated - See NOTE
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES			
Exchange of automobile for Accrued directors fee payable	\$ -	\$ 7,000	\$ 10,000
	=====	=====	=====
Marketable security written off as worthless	\$ -	\$ -	\$ 7,296
	=====	=====	=====

Disclosure of Accounting Policy:

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with an initial maturity of three month or less to be cash equivalents.

(Concluded)

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

THUNDER MOUNTAIN GOLD, INC.
 (An Exploration Stage Company)
 Statement Of Changes In Stockholders' Equity
 For the Years Ended December 31, 2001, 2000, and 1999

	Common Stock		Additional	Accumulated	Treasury	Retained	Total
	Shares	Amount	Paid-In Capital	Other Comprehensive Income	Stock	Earnings/ (Deficit)	
	-----	-----	-----	-----	-----	-----	-----
Balances at Jan. 1, 1999 (Restated - See NOTE 3)	9,727,852	\$486,392	\$ 254,222	\$ 173,638	\$(24,200)	\$(379,320)	\$ 510,732
Unrealized loss in Marketable securities	-	-	-	(24,030)	-	-	(24,030)
Net loss - 1999 (Restated - See NOTE 3)	-	-	-	-	-	37,050	37,050
Comprehensive Income						13,020	
Balances at Dec. 31, 1999 (Restated - See NOTE 3)	9,727,852	486,392	254,222	149,608	(24,200)	(342,270)	523,752
Unrealized loss in Marketable securities	-	-	-	(196,873)	-	-	(196,873)
Net loss - 2000 (Restated - See NOTE 3)	-	-	-	-	-	(102,602)	(102,602)
Comprehensive (Loss)						(299,475)	
Balances at Dec. 31, 2000 (Restated - See NOTE 3)	9,727,852	486,392	254,222	(47,265)	(24,200)	(444,872)	224,277

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Unrealized loss in Marketable securities	-	-	-	(22,297)	-	-	(22,297)
Net loss - 2001	-	-	-	-	-	(121,782)	(121,782)
Comprehensive (Loss)	-	-	-	-	-	-	(144,079)
Balances at Dec. 31, 2001	9,727,852	\$ 486,392	\$ 254,222	\$ (69,562)	\$ (24,200)	\$ (566,654)	\$ 80,198

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

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Notes To Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Business Operations

Thunder Mountain Gold, Inc., takes its name from the Thunder Mountain Mining District in Valley County, Idaho, where its principal lode mining claims are located.

Accounting Policies

Marketable securities are stated at market value. The market value is based on quoted market prices or other fair value estimates provided by third party portfolio managers.

Exploration Costs

Exploration costs are charged to operations when incurred.

Property and Equipment

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

Accounting Estimates

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

Comprehensive Income

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In 1998, the Company adopted Statement of Financial Accounting Standards (FAS) 130, "Reporting Comprehensive Income," issued by the Financial Accounting Standards Board (FASB). The Company reports accumulated other comprehensive income as a separate component of shareowners' equity. There were no adjustments required for the deferred tax effects of the unrealized gain or loss on securities.

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Notes To Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings Per Share

The Company computes basic earnings per common share by dividing the net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share are calculated by including all dilutive potential common shares such as stock options. Dilutive potential common shares were 9,727,852 in 2001, 2000, and 1999. No adjustment to reported net income is required when computing diluted earnings per share.

NOTE 2 - INVESTMENTS

Investments consist of the following:

	Carrying Value	Cost	Market Value
	-----	-----	-----
December 31, 2001:			
Current Investments	\$ 84,142	\$ 152,794	\$ 84,142
Other Investments	170	1,080	170
	-----	-----	-----
Total	\$ 84,312	\$ 153,874	\$ 84,312
	=====	=====	=====
December 31, 2000:			
Current Investments	\$ 231,923	\$ 278,277	\$ 231,923
Other Investments	170	1,080	170
	-----	-----	-----
Total	\$ 232,093	\$ 279,357	\$ 232,093
	=====	=====	=====
December 31, 1999:			
Current Investments	\$ 510,158	\$ 359,639	\$ 510,158
Other Investments	170	1,080	170
	-----	-----	-----
Total	\$ 510,328	\$ 360,719	\$ 510,328
	=====	=====	=====

Other investments consist of small stock holdings in several local mining companies.

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NOTE 3 - MINING CLAIMS AND RESTATED FINANCIAL STATEMENTS

Substantially all of the Company's patented and unpatented claims in the Thunder Mountain Mining district were obtained from major stockholders for cash or newly issued stock. The purchase price and capitalized costs of the mining claims have been written off and the financial statements for 2000, 1999, and 1998 have been restated to reflect this adjustment. The net accumulated capitalized costs charged to the income statement as an impairment loss for 1998 was \$233,705 and 2000 was \$5,000. No impairment loss was charged to the income statement for 1999. For additional information regarding the mining claims see Note 5.

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

Notes To Financial Statements

NOTE 4 - INCOME TAXES

The Company has losses for income tax purposes and accordingly has no income tax provision.

At December 31, 2001, the Company has \$719,083 in net operating loss carry forward which may be used to offset taxable income generated by operations, which will begin expiring in 2004. The Company also has a general business tax credit carryover in the amount of \$1,283, which may be used to offset future federal income tax liabilities. This credit will expire in 2004. The Company also has a foreign tax credit in the amount of \$343, which may be used to offset future federal income tax liabilities.

The net operating loss and other credits carry forward would normally result in a recorded income tax benefit. As a result of the uncertainty to continue as a going concern as described in Note 5, the income tax benefit is fully reserved and is not reflected herein.

NOTE 5 - UNCERTAINTY - GOING CONCERN

The Company's continued existence is dependent upon its ability to resolve its liquidity problems, principally by obtaining equity or debt funding, sale of the mining claims or production from the mining claims. While pursuing additional funding or sale of its mining claims, the Company must continue to operate on limited cash flow generated from the sale of investments. The Company has no revenue from operations and has experienced recurring losses. Management believes that geological, geophysical, and engineering data have identified mineralized material in place on the mining claims in commercial quantities to be of value. The Company is negotiating with the United States Forest Service through the Land and Water Conservation Funds for sale of its' position regarding the mining claims.

NOTE 6 - LITIGATION

The Company, along with other similarly situated parties, is a protestant against the Federal Government's claims for certain reserved water rights for Wild and Scenic Rivers Act purposes. The matter is in the Idaho State District Court assigned to handle the Snake River Basin water rights adjudication. A

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settlement has been tentatively reached and legal counsel anticipates the settlement will be favorable to Thunder Mountain Gold, Inc.

THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)

SUPPLEMENTAL SCHEDULES

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL SCHEDULES

The Board of Directors
Thunder Mountain Gold, Inc.
Spokane, Washington

Our report on the financial statements of Thunder Mountain Gold, Inc., (An Exploration Stage Company) is included in the Form 10-KSB and covers the balance sheets as of December 31, 2001 and 2000 and the related statements of operations, cash flows and changes in stockholders' equity for each of the three years ended December 31, 2001, 2000, and 1999. In connection with our audit of such financial statements, we have also audited the related supplemental schedules, as follows:

Schedule I - Marketable Securities - Other Investments
Schedule V - Property, Plant, and Equipment
Schedule VI - Amortization of Property, Plant, and Equipment

In our opinion, the supplemental schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly the information required to be included therein.

/s/ MOE O'SHAUGHNESSY & ASSOCIATES, P.S.

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April 24, 2002
Spokane, Washington

THUNDER MOUNTAIN GOLD, INC.

(An Exploration Stage Company)

SCHEDULE I - MARKETABLE SECURITIES - OTHER INVESTMENTS
For the Years Ended December 31, 2001 and 2000

		December 31, 2001			
Column A	Column B	Column C	Column D	Column E	
Issuer	Number of Shares	Cost of Shares	Market Value Shares	Amount at Which Issue is Carried on Balance Sheet	
Munder Future Technology Fund Class B	Mutual Fund	799	\$ 18,622	\$ 17,757	\$ 17,757
Pioneer Growth Shares Class B	Mutual Fund	2,169	42,151	28,356	28,356
Mass Investors Growth Stock Fund Class B	Mutual Fund	2,496	46,917	30,051	30,051
Midas Gold	Common Shares	8,396	45,104	7,978	7,978
Totals		13,860	\$ 152,794	\$ 84,142	\$ 84,142
Other stock ownership in inactive companies	Common Shares	164,500	\$ 1,080	\$ 170	\$ 170
Totals		164,500	\$ 1,080	\$ 170	\$ 170

THUNDER MOUNTAIN GOLD, INC.
 (An Exploration Stage Company)
 SCHEDULE I - MARKETABLE SECURITIES - OTHER INVESTMENTS (continued)
 For the Years Ended December 31, 2001 and 2000

December 31, 2000					
Column A		Column B	Column C	Column D	Column E
Issuer		Number of Shares	Cost of Shares	Market Value Shares	Amount at Which Issue is Carried on Balance Sheet
-----	-----	-----	-----	-----	-----
ML Global Growth Class B	Mutual Fund	2,794	\$ 44,266	\$ 35,405	\$ 35,405
Munder Future Technology Fund Class B	Mutual Fund	3,361	40,005	29,311	29,311
Pioneer Growth Shares Class B	Mutual Fund	2,169	42,151	35,387	35,387
AIM Value Fund Class B	Mutual Fund	2,968	43,502	35,439	35,439
Mass Investors Growth Stock Fund Class B	Mutual Fund	2,496	46,917	40,187	40,187
Barrick Gold Corporaiton	Common Shares	3,000	16,332	49,140	49,140
Midas Gold	Common Shares	8,396	45,104	7,054	7,054
-----	-----	-----	-----	-----	-----
Total		25,184	\$ 278,277	\$ 231,923	\$ 231,923
		=====	=====	=====	=====
Other stock ownership in inactive companies	Common Shares	164,500	\$ 1,080	\$ 170	\$ 170

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Totals	164,500	\$ 1,080	\$ 170	\$ 170
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THUNDER MOUNTAIN GOLD, INC.
(An Exploration Stage Company)
SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT
For the Years Ended December 31, 2001, 2000, and 1999

Column A	Column B	Column C	Column D	Column E	Column F
Description	Balance at Beginning Of Period	Additions At Cost	Retirements	Other Changes Add (Deduct)	Balance at End Of Period
Year ended December 31, 2001:					
Office equipment	7,141	-	-	-	7,141
Totals	\$ 7,141	\$ -	\$ -	\$ -	\$ 7,141
Year ended December 31, 2000:					
Office equipment	7,141	-	-	-	7,141
Automotive	21,893	-	(21,893) (3)	-	-
Totals	\$ 29,034	\$ -	\$ (21,893)	\$ -	\$ 7,141
Year ended December 31, 1999:					
Office equipment	6,547	594 (1)	-	-	7,141
Automotive	47,436	-	(25,543) (2)	-	21,893
Totals	\$ 53,983	\$ 594	\$ (25,543)	\$ -	\$ 29,034

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- (1) Purchase of copier.
- (2) Exchange of 1996 Subaru to Jim Collord Sr. in lieu of director fees.
- (3) Exchange of 1992 Suburban to E. James Collord in lieu of director fees.

THUNDER MOUNTAIN GOLD, INC.
 (An Exploration Stage Company)
 SCHEDULE V1 - ACCUMULATED DEPRECIATION, DEPLETION AND
 AMORTIZATION OF PROPERTY AND EQUIPMENT
 For the Years Ended December 31, 2001, 2000, and 1999

Column A	Column B	Column C	Column D	Column E	Column F
Description	Balance at Beginning Of Period	Additions At Cost	Retirements	Other Changes Add (Deduct)	Balance at End Of Period
Year ended					
December 31, 2001:					
Office equipment	6,856	\$ 114	-	-	\$ 6,970
Totals	\$ 6,856	\$ 114	\$ -	\$ -	\$ 6,970
Year ended					
December 31, 2000:					
Office equipment	6,601	\$ 255	-	-	6,856
Automotive	17,842	1,575	(19,417)	-	-
Totals	\$ 24,443	\$ 1,830	\$ (19,417)	\$ -	\$ 6,856
Year ended					
December 31, 1999:					
Office equipment	5,806	\$ 795	-	-	6,601
Automotive	26,671	3,350	(12,179)	-	17,842
Totals	\$ 32,477	\$ 4,145	\$ (12,179)	\$ -	\$ 24,443

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(1) Depreciation is calculated using the accelerated depreciation methods with useful lives of three to seven years.

THUNDER MOUNTAIN GOLD, INC. (An Exploration Stage Company)

SELECTED FINANCIAL DATA

The following is a summary of selected financial data which indicates trends in registrants financial condition and results of operations.

Selected Balance Sheet Data 2001 Year Ended December 31,

	2001	2000	1999	1998	1997
	-----	-----	-----	-----	-----
		Restated			
Current Assets	\$ 89,717	\$ 239,822	\$ 546,491	\$ 530,307	\$ 659,329
Property and Equipment	171	285	4,591	21,506	260,018
Non-Current Investments	170	170	170	170	170
Total Assets	90,058	240,277	551,252	551,983	919,517
Current Liabilities	9,860	16,000	27,500	41,250	22,500
Stockholders' Equity	80,198	224,277	523,752	510,733	897,017

Selected Operational Data

Royalty Revenue	-	-	-	-	62,500
Other Revenue and					
Gains (Losses)	(21,150)	67,823	126,817	(216,845)	24,589
Net Income (Loss)	(121,781)	(102,602)	37,050	(359,389)	17,250
Net Income (Loss)					
per share	\$ (0.01)	\$ (0.01)	\$ NIL	\$ (0.04)	\$ NIL

No dividends have been paid by the Company.

ITEM 8: DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

During the year ended December 31, 2001 there were no disagreements between the Company and its independent certified public accountants concerning accounting and financial disclosure.

PART III

ITEM 9: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Identification of Directors:

E. James Collord, Age 55 - President, General Manager and Director - Mr. Collord has been an officer and Director of the Registrant since 1978.

Robin S. McRae, Age 61 - Secretary/Treasurer and Director - Dr. McRae has been an officer and Director of the Registrant since 1978.

Pete Parsley, Age 39 - Director and Thunder Mountain Project Manager. Mr. Parsley has been a director since 1999.

Ronald Yanke, Age 63, - Director

(b) IDENTIFICATION OF EXECUTIVE OFFICERS

This information is contained in paragraph (a) above.

(c) FAMILY RELATIONSHIPS

Dr. Robin S. McRae is the cousin of E. James Collord, the President of the Registrant.

(d) BUSINESS EXPERIENCE

E. James Collord has a Masters of Science degree in exploration geology from the

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Mackay School of Mines, University of Nevada. He has been a mining professional since 1973, employed as a mill construction superintendent, exploration geologist, mine construction and reclamation manager, and in environmental and lands management. He is currently employed as Environmental and Land Superintendent at a large gold mine near Elko, Nevada.

Robin S. McRae is a graduate of the Pacific College of Optometry and is a practicing optometrist. He is the grandson of Daniel C. McRae, and original locator of many of the gold prospects in the Thunder Mountain Gold Mining District, and is the son of Robert J. McRae, author of numerous geological reports concerning the Thunder Mountain Mining District. His knowledge of mining and related exploratory activities is derived from three generations of ownership of the Sunnyside Group of Claims which the Registrant now owns.

Pete Parsley has a Masters in Science degree in geology from the University of Idaho. He has been a mining professional since 1985 with experience in gold exploration, mine development, construction, reclamation, and environmental compliance and permitting. He has been associated with the Thunder Mountain project since 1985.

Ron Yanke is a successful Boise-based businessman, including owner of the 57-year old Yanke Machine Shop. He also is an owner of Yanke Energy (cogeneration plants), has timber interests and is part owner of the Dewey Mining Company.

(e) DIRECTORSHIPS

None of the directors of the Registrant is a director of any other corporation subject to the requirements of Section 12 or Section 15(d) of the Exchange Act of 1934.

(f) INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

None of the Officers and Directors of the Registrant has been involved in any bankruptcy, insolvency, or receivership proceedings as an individual or member of any partnership or corporation; none has ever been convicted in a criminal proceeding or is the subject of a criminal proceeding presently pending. None has 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 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 has 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.

(g) PROMOTERS AND CONTROL PERSONS

Not applicable

ITEM 10: EXECUTIVE COMPENSATION

(a) CASH COMPENSATION

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None of the executive officers or Directors received \$50,000 or more during 2001.

All officers and Directors at various times during 2001, received the sum of \$21,000 distributed as follows:

E. James Collord	Vice President/Director	\$7,000
Robin S. McRae	Secretary/Treasury	\$7,000
Ron Yanke	Director	No compensation
Pete Parsley	Director/Project Manager	\$7,000

(b) BONUS AND DEFERRED COMPENSATION:

Budgeted Arrangements (in 2002):

E. James Collord: None budgeted. If any are paid, they will be set by Board resolution, and would depend upon financial status of the Company at such time.

Dr. Robin S. McRae: Same

Pete Parsley: Same

Ron Yanke: Same

(c) OTHER COMPENSATION

There are no remuneration payments to any officer or Director other than those set forth in (a) above.

(d) COMPENSATION OF DIRECTORS

Other arrangements: There are no arrangements for remuneration for services as a Director in addition to the standard arrangements.

(e) TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL ARRANGEMENT

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

ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following are known to the Registrant to be the beneficial owners of more than five percent (5%) of the Registrant's voting securities:

Common Stock	Ronald C. Yankee P.O. Box 5405, Boise, ID 83715	1,883,525 shares of record and beneficially	19.36%
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Common Stock	E. James Collord	519,250 shares of record and beneficially	5.34%
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(b) THE SECURITY HOLDINGS OF MANAGEMENT ARE AS FOLLOWS

Common Stock	E. James Collord	519,250 shares of record and beneficially	5.34%
Common Stock	Dr. Robin S. McRae	91,955 shares of record and beneficially	.95%
Total of all Officers and Directors:		2,494,730 shares of record and beneficially	25.65%

ITEM 12: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) TRANSACTIONS WITH MANAGEMENT AND OTHERS

Other than payments of compensation to the Directors of the company, there have been no other transactions with:

Any Director or executive officer

Any Nominee for election as a director

Any immediate family member of any of the forgoing, other than E. James Collord received 280,000 shares of common stock in 2001 as a gift from his mother.

Any security holder known to the issuer to own beneficially or of record more than

5% of the Registrant's voting securities other than transactions disclosed in ITEM 12.

(b) CERTAIN BUSINESS RELATIONSHIPS

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

(c) 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.

(d) TRANSACTIONS WITH PROMOTERS

Not Applicable

PART IV

ITEM 13: EXHIBIT, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) FINANCIAL STATEMENTS

Included in Part II of this report.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the last calendar year 2001.

