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

FORM 10-Q

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

For the quarterly period ended June 30, 2024

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

For the transition period from __________ to __________

Commission File Number: 001-08429

THUNDER MOUNTAIN GOLD, INC.

(Exact name of Registrant as specified in its charter)

Nevada	**91-1031015**
(State or other jurisdiction of incorporation or organization)	(IRS identification No.)
11770 W President Dr. STE F **Boise, Idaho**	**83713-8986**
(Address of Principal Executive Offices)	(Zip Code)

(208) 658-1037
(Registrant's Telephone Number, including Area Code)

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.001 par value	THMG THM	OTCQB TSX-V

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes☐ No

Indicate by check mark whether the Registrant is ☐ a large accelerated filer, ☐ an accelerated file, ☒ a non-accelerated filer, ☒ a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act) or ☐ an emerging growth company

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

Number of shares of issuer's common stock outstanding at July 10, 2024: 60,855,579

PART I – FINANCIAL INFORMATION

Item 1 – Financial Statements

Thunder Mountain Gold, Inc.
Condensed Consolidated Balance Sheets (Unaudited)
June 30, 2024 and December 31, 2023

	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 247,235	$ 170,628
Investment in BeMetals, at fair value (Note 4)	-	427,836
Prepaid expenses and other assets	52,208	33,786
Total current assets	299,443	632,250
Property and Equipment:		
Land	332,509	332,509
Total property and equipment	332,509	332,509
Right to use asset (Note 9)	11,855	21,629
Total assets	**$ 643,807**	**$ 986,388**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 25,633	$ 39,050
Accrued legal fees	136,685	136,685
Operating lease liability – current (Note 9)	12,183	18,612
Deferred officer compensation (Note 6)	1,104,625	1,104,625
Total current liabilities	1,279,126	1,298,972
Operating lease liability – long-term (Note 9)	-	3,532
Accrued reclamation costs	81,250	81,250
Total liabilities	1,360,376	1,383,754
Commitments and Contingencies (Notes 2 and 3)		
Stockholders' equity:		
Preferred stock; $0.0001 par value, 5,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; $0.001 par value; 200,000,000 shares authorized, 60,855,579 shares issued and outstanding	60,856	60,856
Additional paid-in capital	6,564,947	6,564,947
Less: 11,700 shares of treasury stock, at cost	(24,200)	(24,200)
Accumulated deficit	(7,487,811)	(7,168,608)
Total Thunder Mountain Gold, Inc stockholders' equity	(886,208)	(567,005)
Noncontrolling interest in Owyhee Gold Trust (Note 3)	169,639	169,639
Total stockholders' equity	(716,569)	(397,366)
Total liabilities and stockholders' equity	**$ 643,807**	**$ 986,388**

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating expenses:				
Exploration	$ 22,285	$ 24,576	$ 42,360	$ 43,007
Legal and accounting	10,016	12,147	57,735	76,963
Management and administrative	82,331	106,322	177,371	235,876
Depreciation	-	221	-	552
Total operating expenses	114,632	143,266	277,466	356,398
Net operating (loss)	(114,632)	(143,266)	(277,466)	(356,398)
Other income (expense):				
Unrealized gain (loss) on investment	-	194,848	-	47,420
Realized gain (loss) on investment	-	-	(42,855)	-
Other income	989	594	1,118	1,324
Total other income (expense)	989	195,442	(41,737)	48,744
Net income (loss)	(113,643)	52,176	(319,203)	(307,654)
Net income (loss) – noncontrolling interest in Owyhee Gold Trust	-	-	-	-
Net income (loss) – Thunder Mountain Gold, Inc.	$ (113,643)	$ 52,176	$ (319,203)	$ (307,654)
Net (loss) per common share - basic and diluted	$ Nil	$ Nil	$ (0.01)	$ (0.01)
Weighted average common shares outstanding-basic and diluted.	60,855,579	60,855,579	60,855,579	60,855,579

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

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

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Cash flows from operating activities:		
Net income (loss)	$ (319,203)	$ (307,654)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	-	552
Noncash lease expense	(187)	-
Unrealized (gain) loss on investment	-	(47,420)
Realized (gain) loss on investment	42,855	-
Change in:		
Prepaid expenses and other assets	(18,422)	(14,838)
Accounts payable and other accrued liabilities	(13,417)	16,442
Accrued legal fees	-	(10,000)
Advance from BeMetals	-	(5,433)
Net cash used by operating activities	(308,374)	(368,351)
Cash flows from investing activities:		
Proceeds from sale of investments	384,981	-
Deposit on Land Purchase	-	(10,000)
Net cash provided (used) by investing activities	384,981	(10,000)
Cash flows from financing activities:		
Net cash (used) by financing activities	-	-
Net increase (decrease) in cash and cash equivalents	76,607	(378,351)
Cash and cash equivalents, beginning of period	170,628	682,718
Cash and cash equivalents, end of period	**$ 247,235**	**$ 304,367**
Noncash financing and investing activities		
Operating lease liability arising from obtaining right to use asset (Note 9)	$ -	$ 38,701

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

Thunder Mountain Gold, Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

For the three-month and six-month periods ended June 30, 2024 and June 30, 2023

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Non-Controlling Interest in OGT	Total
Balances at April 1, 2023	60,855,579	$ 60,856	$ 6,564,947	$(24,200)	$ (6,711,211)	$ 169,639	$ 60,031
Net income	-	-	-	-	52,176	-	52,176
Balances at June 30, 2023	60,855,579	$ 60,856	$ 6,564,947	$(24,200)	$ (6,659,035)	$ 169,639	$ 112,207
Balances at April 1, 2024	60,855,579	$ 60,856	$ 6,564,947	$(24,200)	$(7,374,168)	$ 169,639	$(602,926)
Net loss	-	-	-	-	(113,643)	-	(113,643)
Balances at June 30, 2024	60,855,579	$ 60,856	$ 6,564,947	$ (24,200)	$(7,487,811)	$ 169,639	$(716,569)
Balances at January 1, 2023	60,855,579	$ 60,856	$ 6,564,947	$(24,200)	$ (6,351,381)	$ 169,639	$ 419,861
Net loss		-	-	-	(307,654)	-	(307,654)
Balances at June 30, 2023	60,855,579	$ 60,856	$ 6,564,947	$(24,200)	$ (6,659,035)	$ 169,639	112,207
Balances at January 1, 2024	60,855,579	$ 60,856	$ 6,564,947	$(24,200)	$(7,168,608)	$ 169,639	$(397,366)
Net loss	-	-	-	-	(319,203)	-	(319,203)
Balances at June 30, 2024	60,855,579	$ 60,856	$ 6,564,947	$(24,200)	$(7,487,811)	$ 169,639	$(716,569)

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

1. Summary of Significant Accounting Policies and Business Operations

The accompanying unaudited interim condensed consolidated financial statements have been prepared by management of Thunder Mountain Gold, Inc. (“Thunder Mountain,” “THMG,” or “the Company”) in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of the Company’s management, these financial statements include all normal recurring adjustments necessary for a fair presentation of the financial results for the interim periods presented.

The preparation of financial statements in accordance with GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's consolidated financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions, which could have a material effect on the reported amounts of the Company's consolidated financial position and results of operations. The more significant areas requiring the use of management estimates and assumptions include the carrying value of properties and mineral interests, environmental remediation liabilities, deferred tax assets, and stock-based compensation. Management’s estimates and assumptions are based on historical experience and other assumptions believed to be reasonable under the circumstances. Operating results for the three and six-month periods ended June 30, 2024, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2024.

For further information, refer to the financial statements and footnotes included in the Company's audited financial statements for the year ended December 31, 2023, in the Company’s 10-K, and any amendments thereto, as filed with the Securities and Exchange Commission on March 12, 2024.

Going Concern

The audit opinion and notes that accompany our consolidated financial statements for the year ended December 31, 2023 disclose a ‘going concern’ qualification to our ability to continue in business. Those consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of our assets and the settlement of our liabilities in the normal course of our operations. Disruptions in the credit and financial markets over the past several years have had a material adverse impact on a number of financial institutions and investors and have limited access to capital and credit for many companies. In addition, commodity prices and mining equities have seen significant volatility which increases the risk to precious metal investors. Market disruptions and alternative investment options, among other things, make it more difficult for us to obtain, or increase our cost of obtaining, capital and financing for our operations. Our access to additional capital may not be available on terms acceptable to us or at all. If we are unable to obtain financing through equity investments, we will seek multiple solutions including, but not limited to, asset sales, corporate transactions, credit facilities or debenture issuances in order to continue as a going concern.

The condensed consolidated financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. We believe that the going concern condition cannot be removed with confidence until the Company has entered into a business climate where funding of its activities is more assured. If the going concern basis were 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.

The condensed consolidated financial statements accompanying this report show an accumulated deficit of $7,487,811 on June 30, 2024, which raises substantial doubt about the Company’s ability to continue as a going concern. The Company has incurred losses since its inception. The Company does not have sufficient cash to fund normal operations and meet all of its obligations for the next 12 months without raising additional funds.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of the Company; its wholly owned subsidiaries, Thunder Mountain Resources, Inc. ("TMRI") and South Mountain Mines, Inc. ("SMMI"); and a company in which the Company owns 75% and has majority control, Owyhee Gold Trust, LLC ("OGT"). The Company's condensed consolidated financial statements reflect the other investor's 25% noncontrolling, capped interest in OGT. Intercompany accounts are eliminated in consolidation.

Accounting Estimates

The preparation of the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions include the carrying value of properties and mineral interests, environmental remediation liabilities, deferred tax assets, and stock-based compensation. 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.

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.

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.

Fair Value Measurements

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

Financial Instruments

The Company's financial instruments include cash and cash equivalents, and the investment in BeMetal's equity securities, the carrying value of which approximates fair value based on the nature of those instruments.

Investments

The Company determines the appropriate classification of investments at the time of acquisition and re-evaluates such determinations at each reporting date. Equity securities that have a readily determined fair value are carried at fair value determined using Level 1 fair value measurement inputs with the change in fair value recognized as unrealized gain (loss) in the consolidated statement of operations each reporting period. Gains and losses on the sale of securities are recognized on a specific identification basis.

Mineral Interests

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

If a mineral interest is abandoned or sold, its capitalized costs are charged to operations. Consideration received by the Company pursuant to joint ventures or purchase option agreements is applied against the carrying value of the related mineral interest. When and if payments received exceed the carrying value, the excess amount is recognized as a gain in the consolidated statement of operations in the period the consideration is received.

Leases

Arrangements meeting the definition of a lease are classified as operating or financing leases and are recorded on the consolidated balance sheet as both a right-of-use asset and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term. For finance leases, interest on the lease liability and the amortization of the right-of-use asset results in front-loaded expense over the lease term. Variable lease expenses are recorded when incurred.

Investments in Joint Ventures

For companies and joint ventures where the Company holds more than 50% of the voting interests, but less than 100%, and has significant influence, the company or joint venture is consolidated, and other investor interests are presented as noncontrolling. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and its representation on the venture's management committee.

For JVs in which the Company does not have joint control or significant influence, the cost method is used. For those JVs in which there is joint control between the parties, the equity method is utilized whereby the Company's share of the ventures' earnings and losses is included in the statement of operations as earnings in JVs and its investments therein are adjusted by a similar amount. The Company periodically assesses its investments in JVs for impairment. If management determines that a decline in fair value is other than temporary it will write-down the investment and charge the impairment against operations.

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.

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. At June 30, 2024, the Company had accrued $81,250 on its consolidated balance sheets relating to estimated mine closure and reclamation costs on its South Mountain Mines property.

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 consolidated statements of operations over the vesting period.

Investments in Equity Securities

Investments in equity securities are generally measured at fair value. Unrealized gains and losses for equity securities resulting from changes in fair value are recognized in current earnings. If an equity security does not have a readily determinable fair value, we may elect to measure the security at its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment in the same issuer. At the end of each reporting period, we reassess whether an equity investment security without a readily determinable fair value qualifies to be measured at cost less impairment, consider whether impairment indicators exist to evaluate if an equity investment security is impaired and, if so, record an impairment loss. At the end of each reporting period, unrealized gains and losses resulting from changes in fair value are recognized in current earnings. Upon sale of an equity security, the realized gain or loss is recognized in current earnings.

Recent Accounting Pronouncements

Accounting Standards Updates

In August 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-05, Business Combinations-Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement, which clarifies the business combination accounting for joint venture formations. The amendments in the ASU seek to reduce diversity in practice that has resulted from a lack of authoritative guidance regarding the accounting for the formation of joint ventures in separate financial statements. The amendments also seek to clarify the initial measurement of joint venture net assets, including businesses contributed to a joint venture. The guidance is applicable to all entities involved in the formation of a joint venture. The amendments are effective for all joint venture formations with a formation date on or after January 1, 2025. Early adoption and retrospective application of the amendments are permitted. We do not expect adoption of the new guidance to have a material impact on our consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, amending reportable segment disclosure requirements to include disclosure of incremental segment information on an annual and interim basis. Among the disclosure enhancements are new disclosures regarding significant segment expenses that are regularly provided to the chief operating decision-maker and included within each reported measure of segment profit or loss, as well as other segment items bridging segment revenue to each reported measure of segment profit or loss. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, and are applied retrospectively. Early adoption is permitted. We are currently evaluating the impact of this update on our consolidated financial statements and disclosures.

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This update requires companies to report on an annual basis, specific categories in the rate reconciliation and additional information on reconciling items greater than 5% of the taxable income or loss. The update also requires disclosure of income taxes paid to Federal, state and foreign jurisdictions along with other municipal and local jurisdictions representing 5% or more of total income taxes paid. This update is effective for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Net Income (Loss) Per Share

The Company is required to have dual presentation of basic earnings per share ("EPS") and diluted EPS. The Company calculates basic earnings (loss) per share by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding. Diluted earnings per share reflect potentially dilutive common stock equivalents, including options and warrants that could share in our earnings through the conversion to common shares, except where their inclusion would be anti-dilutive. For the quarters ended June 30, 2024, and 2023, outstanding common stock options were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive due to the net loss for the period.

2. Mineral Interest Commitments

The Company holds two leases pertaining to land parcels adjacent to its South Mountain patented and unpatented mining claims. The details of these leases are as follows:

Acree Lease:
Commencing on June 20, 2008, the Company entered into a lease agreement with Ronald Acree for a period of 6 years, covering 113 acres at a rate of $20 per acre. The lease includes an option to extend for an additional 10 years at a revised rate of $30 per acre. Upon the 17th Anniversary from the effective date, a rate of $50 per acre will be paid in the form of an advanced royalty until the 30th anniversary from the date. Then, a rate of $75 per acre will be paid to Acree. The total annual lease payment for the 113 acres amounts to $3,390.

Lowry Lease:
On October 24, 2008, the Company executed a lease agreement with William and Nita Lowry for a duration of 6 years, encompassing 376 acres at a rate of $20 per acre. Similar to the Acree Lease, the Lowry Lease incorporates an option to extend for an additional 10 years at a revised rate of $30 per acre. Following the passing of the original lessors, the lease was inherited by Michael Lowry, their son. The lease will expire on October 24, 2025.

The leases have no work requirements. It is the current intention of the Company to engage in negotiations for new leases with the current landowners upon the expiration of the existing lease agreements. The negotiations may involve modifications to terms, rates, or other conditions as mutually agreed upon by the parties involved.

The Company has 26 unpatented claims (533 acres) in the Trout Creek area and 21 unpatented claims in the South Mountain area.

The claim fees are paid on these unpatented claims annually as follows:

Target Area	2024
Trout Creek -State of Nevada	$ 4,290
Trout Creek -Lander County, Nevada	324
South Mountain-State of Idaho	3,465
Total	**$ 8,079**

3. South Mountain Project

SMMI Joint Venture – OGT, LLC
The Company's wholly owned subsidiary SMMI is the sole manager of the South Mountain Project in its entirety through a separate Mining Lease with Option to Purchase ("Lease Option") with the Company's majority-owned subsidiary OGT. SMMI has an option to purchase the South Mountain mineral interest for a capped $5 million less net returns royalties paid through the date of exercise. The Lease Option expires in November 2026. If SMMI exercises the option, the option payment of $5 million less advance royalties will be distributed 100% by OGT to OGT's minority member, and OGT will cease to exist. Under the Lease Option, SMMI pays an advance of $5,000 net returns royalty to OGT annually on November 4 which is distributed to OGT's minority member. On February 13, 2024, the Company paid the $5,000 advance net returns royalty payment to the OGT minority interest, ISGCII.

Complaint

On April 12, 2023, the Company was served with a Complaint filed in the fourth judicial district court of the State of Idaho by legal representatives of a former mining contractor who had provided services for the South Mountain Mine project in the Fall of 2020. The case was subsequently dismissed with prejudice, and a judgment to that effect was entered on November 21, 2023. The contractor had a 42-day window from the date of judgment to appeal, which expired on January 2, 2024. No appeal was filed within this timeframe, leading to the District Court`s dismissal of the claim.

4. Investment in BeMetals Corp.

On January 18, 2024, the Company sold the remaining 6,636,000 shares held in BeMetals Corp. for a total consideration of $384,981 (equivalent to CAD $518,223). The transaction was executed through Canaccord Genuity at a unit price of $0.0594 (CAD $0.0801) per share. This sale was conducted in accordance with the terms outlined in the BeMetals Option Agreement. As a result of the sale, the Company incurred a loss of $42,855.

5. Property and Equipment

On December 13, 2023, the Company completed the strategic acquisition of 56 acres of private land for $52,176. This parcel is contiguous to the south end of the existing patented and lode claims at the South Mountain Project. The Board of Directors approved the land purchase resolution on January 31, 2023. Subsequently, on February 07, 2023, a real estate purchase and sale agreement was signed, formalizing the terms and conditions of the transaction. The acquisition is strategically aligned with the Company's exploration and development objectives. The geographical adjacency to the South Mountain Project enhances exploration efficiency and supports the Company's long-term growth strategy.

The Company's property and equipment are as follows:

		June 30, 2024		December 31, 2023
Vehicles	$	22,441	$	22,441
Construction Equipment		30,407		30,407
Mining Equipment		42,696		42,696
		95,544		95,544
Accumulated Depreciation		(95,544)		(95,544)
		-		-
Land		332,509		332,509
Total Property and Equipment	$	332,509	$	332,509

6. Related Party Transactions

Deferred Compensation

As of June 30, 2024, and December 31, 2023, the balances of the total deferred compensation for the officers, are as follows, Eric Jones, President and Chief Executive Officer: $469,500; Jim Collord, Vice President and Chief Operating Officer: $420,000; Larry Thackery, Chief Financial Officer: $215,125. The total deferred compensation for these officers at June 30, 2024 and December 31, 2023 was $1,104,625.

7. Stockholders' Equity

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

8. Stock Options

The Company has a Stock Incentive Plan (the "SIP"), authorize the granting of stock options up to 10 percent of the total number of issued and outstanding shares of common stock, that 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. On October 16, 2023 the Company's shareholders, at their Annual Meeting, ratified and reapproved the Stock Option Plan.

For the periods ended June 30, 2024 and 2023, no options were granted, and on March 25, 2024 1,325,000 options expired.

The following is a summary of the Company's options issued and outstanding under the SIP:

	Shares	Weighted Average Exercise Price
Outstanding and exercisable at December 31, 2023	4,775,000	$ 0.09
Expired	(1,325,000)	0.09
Outstanding and exercisable at June 30, 2024	3,450,000	$ 0.09

The average remaining contractual term of the options outstanding and exercisable at June 30, 2024, was 1.79 years. On June 30, 2024, options outstanding and exercisable had no aggregate intrinsic value based on the Company's stock price of $0.029 on June 30, 2024.

9. Leases

The Company renewed its office operating lease on February 1, 2023, for 24 months. The Company entered into a two-year operating lease for its corporate office space for a total lease payment of $41,625, and as a result a liability and right-of-use asset of $38,701 was recognized on the lease inception date, February 1, 2023. To calculate the liability and right of use asset, the Company utilized a 7.0% incremental borrowing rate to discount the future rent payments of approximately $1,734 per month over the two-year lease term.

For the six months ended June 30, 2024, the Company expended cash of $10,594 in operating lease payments that were recorded in management and administrative expenses.

The table below displays the future operating lease payments and lease liability as of June 30, 2024, related to the Company's operating lease.

Future Lease Payments	Total Amount
2024 (remaining six months)	$ 10,688
2025	1,781
Total	12,469
Less: Imputed Interest	(286)
Total lease Liability	$ 12,183

The Company's ROU asset decreased through amortization of $4,931 and $9,775 for the three and six months ended June 30, 2024.