

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 March 31, 2017
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 or other jurisdiction of incorporation or organization)

91-1031015

(IRS identification No.)

11770 W President Dr. STE F
Boise, Idaho

(Address of Principal Executive Offices)

83713-8986

(Zip Code)

(208) 658-1037

(Registrant's Telephone Number, including Area Code)

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

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

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

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

Number of shares of issuer's common stock outstanding at April 21, 2017: 54,680,579

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PART I – FINANCIAL INFORMATION

Item 1: Financial Statements

**Thunder Mountain Gold, Inc.
Consolidated Balance Sheets**

March 31, 2017 and December 31, 2016

	<i>(Unaudited)</i> March 31, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,233	\$ 108,184
Prepaid expenses and other assets	20,384	33,903
Total current assets	34,617	142,087
Property and Equipment:		
Land	280,333	280,333
Equipment, net of accumulated depreciation of \$37,617 and \$15,047, respectively	196,348	218,918
Total property and equipment	476,681	499,251
Mineral interests (Note 3)	479,477	479,477
Total assets	\$ 990,775	\$ 1,120,815
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and other accrued liabilities	\$ 63,310	\$ 86,813
Accrued related party liability (Note 5)	181,313	181,313
Accrued interest payable to related parties (Note 4)	20,957	17,723
Deferred payroll (Note 5)	646,500	568,500
Related party notes payable (Note 4)	126,576	126,576
Total current liabilities	1,038,656	980,925
Accrued reclamation costs (Note 3)	65,000	65,000
Total liabilities	1,103,656	1,045,925
Commitments and Contingencies (Notes 2 and 3)		
Stockholders' equity (deficit):		
Preferred stock; \$0.0001 par value, 5,000,000 shares authorized; no shares issued or outstanding	-	-
Common stock; \$0.001 par value; 200,000,000 shares authorized, 54,680,579 shares issued and outstanding	54,681	54,681
Additional paid-in capital	5,404,070	5,350,513
Less: 11,700 shares of treasury stock, at cost	(24,200)	(24,200)
Accumulated deficit	(5,726,134)	(5,484,806)
Total Thunder Mountain Gold, Inc stockholders' equity (deficit)	(291,583)	(103,812)
Noncontrolling interest in Owyhee Gold Trust (Note 3)	178,702	178,702
Total stockholders' equity (deficit)	(112,881)	74,890
Total liabilities and stockholders' equity (deficit)	\$ 990,775	\$ 1,120,815

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

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

	Three Months Ended March 31,	
	<u>2017</u>	<u>2016</u>
Operating expenses:		
Exploration	\$ 49,151	\$ 45,505
Legal and accounting	30,504	109,562
Management and administrative	135,808	69,745
Depreciation	<u>22,570</u>	<u>-</u>
Total operating expenses	<u>238,033</u>	<u>224,812</u>
Other income (expense):		
Interest expense, related parties	(3,233)	(3,779)
Miscellaneous income (expense)	<u>(62)</u>	<u>-</u>
Total other income (expense)	<u>(3,295)</u>	<u>(3,779)</u>
Net Loss	(241,328)	(228,591)
Net Income (loss) – noncontrolling interest in Owyhee Gold Trust	-	-
Net Loss – Thunder Mountain Gold, Inc.	<u>\$ (241,328)</u>	<u>\$ (228,591)</u>
Net Loss per common share-basic and diluted	<u>\$ Nil</u>	<u>\$ Nil</u>
Weighted average common shares outstanding-basic and diluted	<u>54,680,579</u>	<u>49,654,362</u>

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

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

	Three Months Ended March 31,	
	2017	2016
Cash flows from operating activities:		
Net loss	\$ (241,328)	\$ (228,591)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	22,570	
Stock options issued for services	53,557	
Change in:		
Prepaid expenses and other assets	13,519	12,240
Accounts payable and other accrued liabilities	(23,503)	(38,051)
Accrued related party liability	-	3,779
Accrued interest payable to related parties	3,234	11,070
Deferred payroll	78,000	75,000
Net cash used by operating activities	<u>(93,951)</u>	<u>(164,553)</u>
Cash flows from financing activities:		
Proceeds from sale of common stock	-	235,000
Payments on related parties notes payable	-	(7,500)
Net cash provided by financing activities	<u>-</u>	<u>227,500</u>
Net increase (decrease) in cash and cash equivalents	(93,951)	62,947
Cash and cash equivalents, beginning of period	108,184	12,143
Cash and cash equivalents, end of period	\$ <u>14,233</u>	\$ <u>75,090</u>
Noncash financing and investing activities:		
Common stock issued for payment of related parties notes payable	\$ -	\$ 50,000
Sale of common stock in exchange for stock subscription receivable	-	50,000

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

1. Summary of Significant Accounting Policies and Business Operations

Business Operations

Thunder Mountain Gold, Inc. (“Thunder Mountain” or “the Company”) was originally incorporated under the laws of the State of Idaho on November 9, 1935, under the name of Montgomery Mines, Inc. In April 1978, the Montgomery Mines Corporation was obtained by a group of the Thunder Mountain property holders and changed its name to Thunder Mountain Gold, Inc., with the primary goal to further develop their holdings in the Thunder Mountain Mining District, located in Valley County, Idaho. Thunder Mountain Gold, Inc. takes its name from the Thunder Mountain Mining District, where its principal lode mining claims were located. For several years, the Company’s activities were restricted to maintaining its property position and exploration activities. During 2005, the Company sold its holdings in the Thunder Mountain Mining District. During 2007, the Company acquired the South Mountain Mines property in southwest Idaho and initiated exploration activities on that property, which continue today.

Basis of Presentation and Going Concern

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 March 31, 2017 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.

Reclassifications

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

Principles of Consolidation

The consolidated financial statements include the accounts of the Company; its wholly owned subsidiaries, Thunder Mountain Resources, Inc. and South Mountain Mines, Inc.; and, effective November 6, 2016, a company in which the Company has majority control, Owyhee Gold Trust, LLC (“OGT”). Intercompany accounts are eliminated in consolidation.

The Company has established 75% ownership and full management of OGT. Thus, OGT’s financial information is included 100% in the Company’s consolidated financial statements since November 6, 2016. The Company’s consolidated financial statements reflect the other investor’s 25% non-controlling, capped interest in OGT. Due to the status of the Company’s investment both before and after the Settlement Agreement, management determined that the settlement should be accounted for as a transaction between companies under common control. See Note 3 for further information.

Accounting Estimates

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

Fair Value Measurements

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

Financial Instruments

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

Mineral Interests

The Company capitalizes costs for acquiring mineral interests and expenses costs to maintain mineral rights and leases as incurred. Exploration costs are expensed in the period in which they occur. Should a property reach the production stage, these capitalized costs would be amortized using the units-of-production method 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:

1. The Company uses the cost method when it does not have joint control or significant influence in a joint venture. Under the cost method, these investments are carried at cost. If other than temporary impairment in value is determined, it would then be charged to current net income or loss.
2. If the Company enters into a joint venture in which there is joint control between the parties or the Company has significant influence, the equity method is utilized whereby the Company's share of the ventures' earnings and losses is included in the statement of operations as earnings in joint ventures and its investments therein are adjusted by a similar amount. If other than temporary impairment in value is determined, it would then be charged to current net income or loss.
3. In a joint venture where the Company holds more than 50% of the voting interest and has significant influence, the joint venture is typically consolidated with the presentation of non-controlling interest. In determining whether significant influences exist, the Company considers its participation in policy-making decisions and its representation on the venture's management committee. See Note 3 regarding the Company's accounting for its investment in Owyhee Gold Trust, LLC,

Reclamation and Remediation

The Company's operations have been, and are subject to, standards for mine reclamation that have been established by various governmental agencies. The Company would record the fair value of an asset retirement obligation as a liability in the period

in which the Company incurred a legal obligation for the retirement of tangible long-lived assets. A corresponding asset would also be recorded and depreciated over the life of the asset.

After the initial measurement of the asset retirement obligation, the liability is adjusted at the end of each reporting period to reflect changes in the estimated future cash flows underlying the obligation.

Determination of any amounts recognized upon adoption is based upon numerous estimates and assumptions, including future retirement costs, future inflation rates and the credit-adjusted risk-free interest rates.

For non-operating properties, the Company accrues costs associated with environmental remediation obligations when it is probable that such costs will be incurred and they are reasonably estimable. Such costs are based on management's estimate of amounts expected to be incurred when the remediation work is performed.

Share-Based Compensation

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

Recent Accounting Pronouncements

In November 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-17 Income Taxes - Balance Sheet Classification of Deferred Taxes (Topic 740). The update is designed to reduce complexity of reporting deferred income tax liabilities and assets into current and non-current amounts in a statement of financial position. ASU No. 2015-17 requires the presentation of deferred income taxes, changes to deferred tax liabilities and assets be classified as non-current in the statement of financial position. The update is effective for fiscal years beginning after December 15, 2016. The adoption of this update on January 1, 2017 had no impact on the consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09 Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The update simplifies the accounting for stock-based compensation, including income tax consequences and balance sheet and cash flow statement classification of awards. The update is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The adoption of this update on January 1, 2017 had no impact on the consolidated financial statements.

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

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

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

Net Income (Loss) Per Share

The Company is required to have dual presentation of basic earnings per share ("EPS") and diluted EPS. Basic EPS is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS is calculated based on the weighted average number of common shares outstanding during the period plus the effect of potentially dilutive common stock equivalents, including options and warrants to purchase the Company's common stock. As of March, 2017 and 2016, potentially dilutive common stock equivalents not included in the calculation of diluted earnings per share as their effect would have been anti-dilutive are:

<u>For period ended March 31,</u>	<u>2017</u>	<u>2016</u>
Stock options	5,115,000	3,990,000
Warrants	-	4,365,000
Total possible dilution	<u>5,115,000</u>	<u>8,355,000</u>

2. Commitments

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 originally for a seven-year period, with annual payments based on \$20 per acre. The leases were renewed for an additional 10 years at \$30 per acre paid annually, these payments are listed in the table below. The lease payments have no work requirements.

	<u>Annual Payment</u>
Acree Lease (June)	\$ 3,390
Lowry Lease (October)	11,280
Herman Lease (April)	1,680
Total	<u>\$16,350</u>

On March 21, 2011, the Company signed an exploration agreement with Newmont Mining Corporation ("Newmont") on the Trout Creek Project that significantly expands the Trout Creek target area. Newmont's private mineral package added to the Project surrounds the Company's South Mountain claim group and consists of about 9,565 acres within a thirty-square mile Area of Influence defined in the agreement. Under the terms of the agreement, the Company is responsible for conducting the exploration program and is obligated to expend a minimum of \$150,000 over the ensuing two years, with additional expenditures possible in future years.

On October 1, 2015, the Company signed an Amendment with Newmont USA Limited that modifies and extends the original Trout Creek Joint Exploration Agreement. The extension allows the Company modified work commitments on the project reducing the annual amount to \$150,000 of work obligations by October 31, 2016.

On October 27, 2016, the Company decided to terminate the exploration agreement with Newmont in order to concentrate on the Company's finances. The Company still retains 78 unpatented claims (1,600 acres) in Trout Creek of the target area. The Company pays annual fees to BLM of \$3,255 and Lander County \$940 fees in maintaining the project.

See Note 3 regarding royalty requirements for the South Mountain Project.

3. South Mountain Project

On November 8, 2012, the Company, through its wholly-owned subsidiary South Mountain Mines, Inc., ("SMMI"), and Idaho State Gold Company II, LLC ("ISGC II") formed the Owyhee Gold Trust, LLC, ("OGT") a limited liability company. In 2015 and through November 2016, disagreements between SMMI and ISGC II resulted in litigation about the status of OGT. In November 2016, the parties entered into a Settlement Agreement and Release ("Settlement Agreement") that resolved outstanding disagreements and provided for a new operating agreement with the following key terms:

- SMMI and ISGC II have 75% and 25% ownership, respectively, in the OGT;
- Under a new OGT operating agreement, SMMI is the sole manager and all expenses for exploration of the property are to be paid by SMMI;
- SMMI and OGT also entered into a separate Mining Lease with Option to Purchase ("Lease Option") under which SMMI has an option to purchase the South Mountain mineral interest for a capped \$5 million less royalties paid through the date of exercise. The option expires in November 2026. If SMMI exercises the option, the option payment \$5 million less advance royalties will be distributed 100% to ISGC II.
- The Lease Option requires SMMI to pay OGT an annual advanced royalty of \$5,000 on or before November 5 annually. Once in production, SMMI will pay OGT a 5% net returns royalty. Upon exercise of the option, all royalty payments terminate. The royalty payments received by OGT from SMMI are to be distributed 100% to ISGC II. SMMI will not share the royalty income.
- The OGT operating agreement provides that during the lease period when the aggregate amount of distributions to ISGC II for royalties and capped option payment equals \$5,000,000, ISGC II's membership interest in OGT is to be completely and fully liquidated.

During 2015 and through the settlement date (November, 6, 2016), the Company managed the South Mountain mineral interests and recognized expenses as Company expenses.

4. Related Parties Notes Payable

At January 1, 2016, the Company had notes payable balances of \$84,268 and \$86,808 with Eric Jones, the Company's President and Chief Executive Officer and Jim Collard, the Company's Vice President and Chief Operating Officer, respectively.

On January 18, 2016, the Company initiated a private offering for an aggregate 6,700,000 shares of common stock. In connection with this offering, Jim Collard and Eric Jones exchanged \$25,000 each of their related notes payables for a total of 1 million shares. On November 15, 2016, Jim Collard exchanged an additional \$2,000 to exercise warrants and received 20,000 shares of common stock.

On July 8, 2016, the Company executed two new promissory notes payable to Eric Jones and Jim Collard. The amount of the notes was \$15,000 and \$10,000, respectively, for a total of \$25,000. The terms of these note are a 2% interest rate accrued per month for a term of two months.

During the year ended December 31, 2016, the Company paid \$17,500 on Mr. Jones' outstanding note balance.

At March 31, 2017 and December 31, 2016, the notes payable balances were \$56,768 and \$69,808 for Mr. Jones and Mr. Collard, respectively. At March 31, 2017, accrued interest payable balances were \$9,965 and \$10,992 for Mr. Jones and Mr. Collard, respectively. At December 31, 2016, accrued interest payable balances were \$8,516 and \$9,207 for Mr. Jones and Mr. Collard, respectively. These notes, as amended, are due December 31, 2017.

5. Related Party Transactions:

Three of the Company's officers are deferring compensation for services. At March 31, 2017, the amounts due them are as follows: Eric Jones - \$260,000 (December 31, 2016 - \$230,000), James Collard - \$260,000 (December 31, 2016 - \$230,000), and Larry Thackery, Chief Financial Officer - \$126,500 (December 31, 2016 - \$108,500). Compensation expense for services performed by these related parties was \$78,000 and \$78,000 during the quarters ended March 31, 2017 and 2016, respectively.

In addition to the related parties notes payable discussed in Note 4, the Company has engaged Baird Hanson LLP ("Baird"), a company owned by one of the Company's directors, to provide legal services. Baird had no legal expenses for the quarter ended March 31, 2017. At March 31, 2017 and December 31, 2016, the amounts due to Baird are \$181,313 and \$181,313, respectively.

6. 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.

In January 2016, the Company sold 5,700,000 shares of common stock at a rate of \$0.05 for \$285,000. In addition, Mr. Jones and Mr. Collard exchanged \$50,000 of their notes outstanding (see Note 4) into 1,000,000 shares of common stock at the same rate of \$0.05 per share. There were no warrants issued with the shares.

On May 12, 2016, the Company extended the expiration 4,365,000 outstanding warrants issued during 2014 for an additional six months to November 24, 2016. The Company also reduced the exercise price from \$0.15 to \$0.10.

In 2016, warrant holders exercised 3,590,000 warrants for shares of common stock at a price of \$0.10 per share for proceeds of \$359,000. In addition, warrants for 203,030 shares of common stock were exercised at \$0.10 in exchange for accounts payable balances totaling \$20,434. As disclosed in Note 4, Jim Collard exercised warrants for 20,000 shares of common stock in exchange for a \$2,000 payment towards his note payable balance. For the period ending on March 31, 2017 the Company has no outstanding warrants.

7. Stock Options

The Company has established a Stock Option Incentive Plan (“SIP”) 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.

Effective March 21, 2017 the Company, granted 600,000 stock options to three Directors of the Company. The options are exercisable on or before March 31, 2022 at a price of \$0.10 for 200,000 shares, and at a price of \$0.09 for the remaining 400,000 shares. After this grant, the Company has 5,115,000 outstanding stock options that represent 9.4% of the issued and outstanding shares of common stock. The fair value of the options was determined to be \$53,557 using the Black Scholes model. The options were fully vested upon grant and recognized as compensation expense for the quarter ended March 31, 2017.

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

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

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

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding and exercisable at December 31, 2015	3,990,000	0.17
Expired	(2,000,000)	(0.27)
Granted	2,525,000	0.10
Outstanding and exercisable at December 31, 2016	4,515,000	\$ 0.08
Granted	600,000	0.09
Outstanding and exercisable at March 31, 2017	<u>5,115,000</u>	<u>\$0.09</u>

The average remaining contractual term of the options outstanding and exercisable at March 31, 2017 was 3.45 years. As of March 31, 2017, options outstanding and exercisable had no aggregate intrinsic value.