

THUNDERMIN RESOURCES INC.



Corporate Profile

THUNDERMIN RESOURCES INC. is a Canadian-based mineral exploration company focused on the exploration for and discovery of economically viable base metal and gold deposits in Canada. Thundermin's corporate objective is to become a profitable, producing mining company in the years ahead.

Thundermin currently has an interest in, or the right to acquire an interest in, 11 base metal and gold properties in Canada. Thundermin also has royalty interests in a further 28 base metal and gold properties located in Manitoba, Saskatchewan, Quebec and British Columbia. In total, these properties host three gold deposits and nine base metal deposits as well as other gold and base metal mineralization of significance. Thundermin also has various shareholdings in thirteen other junior resource companies that are actively exploring for base metal, gold, chrome, vanadium-titanium and diamond deposits in Canada.

Thundermin's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "THR".

Corporate Activities and Highlights

- **Indicated Resources of 1,087,000 tonnes at an average grade of 2.9% Cu and Inferred Resources of 1,950,000 tonnes at an average grade of 2.3% Cu estimated for the Little Deer Copper Deposit by Micon International Limited (National Instrument 43-101 compliant).**
- **Completed 11,416 metres of diamond drilling in 17 holes on the Little Deer Copper Deposit. Successfully confirmed historical copper grades and widths and expanded the area of known high-grade copper mineralization over a strike length of 1,050 metres and to a vertical depth of 895 metres.**
- **Maintained working capital of approximately \$2,145,000 and remained debt free at year end.**
- **Strengthened the balance sheet by raising \$500,000 in flow-through funds to finance exploration programs in 2010.**
- **Received cash payments of \$100,000 and \$25,000 from Alexis Minerals Corporation, with respect to Thundermin's Pelletier Lake gold property, and from an Optionee, with respect to Thundermin's Obalski, Cossette and Ramsey gold properties, respectively.**
- **Completed the sale of Thundermin's 49% interest in the Valdora gold property to Alexandria Minerals Corporation for 75,000 shares of Alexandria, 75,000 share purchase warrants and a 1.0% net smelter returns royalty.**
- **Received a \$50,000 grant from the Government of Newfoundland and Labrador under its Junior Exploration Assistance Program with respect to expenditures made on the Little Deer property during 2008.**
- **Completed an Option Assignment Assent Agreement with Red Mile Capital Corp. wherein Red Mile acquired the rights of Russet Lake Resources Inc. with respect to Thundermin's 50% interest in the Blue Quartz gold property in Ontario. Thundermin received an additional cash payment of \$10,000 and 25,000 Red Mile shares.**

Director's Report to Shareholders

Thundermin's exploration efforts during 2009 remained focused on the Little Deer Copper Deposit ("Deposit") which is located approximately 10 km north of Springdale in north-central Newfoundland. Diamond drilling programs undertaken during 2009 continued to return positive results and Thundermin remains of the opinion that further drilling during 2010 may be successful in outlining sufficient quantities of economic copper mineralization at depth and along strike from areas mined in the early 1970's to justify a new copper mine at Little Deer.

The global financial crisis of 2008 abated somewhat during 2009 and commodity prices and the demand for junior stocks improved during the year. As a result, Thundermin was able to complete a \$500,000 flow-through financing late in 2009 to continue its exploration efforts on the Little Deer project during the latter part of 2009 and into 2010.

Little Deer Property

On June 20, 2007, Thundermin and 50% joint venture partner, Cornerstone Resources Inc. ("Cornerstone"), signed an agreement with Weyburn Investments Ltd. ("Weyburn") under which Thundermin and Cornerstone have an option to acquire a 100% interest in Weyburn's past-producing Little Deer Copper Deposit and adjacent property. Thundermin, under its joint venture agreement with Cornerstone, has the right to increase its interest in the joint venture to 75% by completing a feasibility study and by arranging 100% of the necessary bank financing required to place the property into commercial production (visit Thundermin's website and SEDAR and see "Little Deer Copper Property" in the accompanying MD&A for details of this transaction and exploration results to date).

On July 12, 2009, Thundermin and Cornerstone maintained their option to earn a 100% interest in the Little Deer property by each agreeing to pay \$57,500 to Weyburn in cash and/or shares. As per the terms of the agreement with Weyburn, Thundermin and Cornerstone are now each obligated to make a \$100,000 payment in cash and/or shares to Weyburn on or before July 12, 2010 which will keep the option on the Deposit in good standing until July 12, 2011.

From June 2007 to the end of December 2009, Thundermin and Cornerstone have spent approximately \$4,300,000 on the Little Deer property. Exploration work included approximately 25,360 m of diamond drilling in 39 holes, borehole Pulse EM surveys, assaying of core samples, lithogeochemical analysis on whole rock samples, a Differential GPS survey of all recent and historical drill holes to determine accurate collar locations and elevations, 227 line kms of VTEM airborne electromagnetic and magnetic surveys and the completion of an initial National Instrument 43-101 ("NI 43-101") mineral resource estimate for the Deposit.

On July 7, 2009, Thundermin and Cornerstone announced that an initial NI 43-101 mineral resource estimate had been completed by Micon International Limited ("Micon") under the supervision of Mr. Reno Pressacco, M.Sc.(A), P.Geo., Senior Geologist for Micon and an independent Qualified Person in accordance with NI 43-101. Micon estimated that the Deposit contains Indicated Resources of 1,087,000 t ("tonnes") at an average grade of 2.9% Cu and Inferred Resources of 1,950,000 t at an average grade of 2.3% Cu. The Deposit remains open to the east, west and at depth and Thundermin believes that the potential for discovery of additional mineral resources is high. A NI 43-101 Technical Report to support the mineral resource estimate, which was also prepared by Micon, was filed on SEDAR on August 20, 2009.

On February 3, 2010, a \$1,500,000 diamond drilling program comprising approximately 11,000 m of drilling in 15 holes and employing two drills commenced on the Deposit. The primary purpose of this drill program, which is anticipated to be completed by July 2010, is to increase the mineral resource outlined to date in the Deposit to five to six million tonnes and to obtain sufficient ore samples for metallurgical testing at SGS Lakefield Research Limited. Results from this program will be released from time to time when assays are received and data compiled. The potential increase of the current mineral resource is conceptual in nature and it is uncertain whether further exploration will result in an expansion of the mineral resource outlined to date.

Optioned Properties

During 2005, 2006, 2008 and 2009, Thundermin optioned the Pelletier Lake gold property near Rouyn-Noranda, Quebec; the Scott Lake zinc-copper property near Chibougamau, Quebec; the Gold Hawk gold property near Val d'Or, Quebec; the Blue Quartz gold property in Ontario; the Obalski, Cossette and Ramsey gold properties near Chibougamau, Quebec and the Valdora gold property near Val d'Or, Quebec to Alexis Minerals Corporation ("Alexis"); Cogitore Resources Inc. ("Cogitore"); Niogold Mining Corporation; Russet Lake Resources Inc.; a private individual; and Alexandria Minerals Corporation, respectively. Exploration programs were carried out on most of these properties during 2009 and further work is planned on most for 2010 (see "Optioned Properties" and "Property Transactions").

The Pelletier Lake gold property and the Scott Lake zinc-copper properties are the most advanced of Thundermin's "Optioned Properties." At Pelletier Lake, Alexis estimates the Measured and Indicated Resources to be 917,883 t grading 7.11 g/t Au (209,895 oz Au), at a cut-off grade of 3.0 g/t Au, and Inferred Resources to be 391,770 t grading 6.52 g/t Au (82,127 oz Au), at a cut-off grade of 3.0 g/t Au. During the fourth quarter of 2009,

Alexis commenced an underground exploration program designed to confirm the resource model and to extract a 40,000 t bulk sample for metallurgical testing. An initial 9,627 t of ore were milled in 2009 generating 1,175 oz of gold at an average recovery of 96.2%. An additional 9,800 t of development muck, with an estimated grade of 4.1 g/t, is currently stockpiled on surface awaiting milling. Thundermin will receive a 2.5% NSR royalty on all gold produced from the bulk sample once it has been milled and the gold refined at the Royal Canadian Mint. Alexis anticipates that it will make a positive production decision on the Pelletier Lake gold deposit in 2010 and bring the deposit into commercial production in 2010 at the rate of 40,000 to 50,000 oz of gold per year. If Alexis is correct in its forecasts, this production would generate a minimum of US \$1,000,000 per year in royalties for Thundermin at a gold price of US \$1,025 per ounce. At Scott Lake, Cogitore has been successful in discovering additional copper-zinc mineralization on the property. On November 23, 2009, Cogitore announced an NI 43-101 mineral resource estimate for the West Zone of 3.6 million t grading 1.1% Cu, 5.2% Zn, 0.3 g/t Au and 36.0 g/t Ag. Diamond drilling is continuing on the property with the aim of expanding the current resources during 2010. Upon reaching commercial production on any deposit discovered on the property, Cogitore is required to make a cash payment to Thundermin ranging from \$1,000,000 to \$4,000,000, depending on the size of the deposit discovered, and issue 1,000,000 treasury shares to Thundermin.

Financial Position

On the financial front, Thundermin remains debt free with cash and cash equivalents of \$787,439 and working capital of \$2,144,523 as at December 31, 2009. Thundermin had a net loss of \$751,036 in 2009 compared to a net loss of \$94,157 in 2008 due mainly to the write-down of \$912,072 for the Linda base metal property in the Snow Lake area of Manitoba. Revenue in 2009 decreased to \$145,130 from \$175,521 in 2008. Proceeds on the sale/transfer of mineral rights remained almost constant at \$142,950 in 2009 compared to \$145,501 in 2008 and interest income decreased to \$2,180 in 2009 from \$30,020 in 2008 due to lower cash balances and lower interest rates. Administration costs for 2009 decreased to \$390,454 from \$475,971 in 2008 due mainly to the inclusion in 2008 of a one-time charge of \$57,969 for the relocation of Thundermin's head office. During 2009, Thundermin incurred exploration expenditures of \$823,650 compared to \$1,071,930 in 2008. The majority of these funds were expended on two diamond drilling programs and downhole geophysical surveys on the Little Deer Copper Deposit.

On January 26, 2009, Thundermin received a \$50,000 grant from the Government of Newfoundland & Labrador under its Junior Company Exploration Assistance Program ("JCEAP") with respect to exploration expenditures made on the Little Deer

property during 2008. During May 2009, Thundermin realized \$414,999 from the sale of 100,000 shares of Queenston Mining Inc. ("Queenston") and 100,000 shares of Alexis. On July 18, 2009, Thundermin received a \$25,000 cash payment from the Optionee with respect to an option agreement covering Thundermin's Obalski, Cossette and Ramsey gold properties in the Chibougamau area of Quebec (see "Optioned Properties"). On July 31, 2009, Thundermin received 75,000 common shares (valued at \$4,800) and 75,000 common share purchase warrants (valued at \$3,150) from Alexandria with respect to a purchase and sale agreement covering Thundermin's 49% interest in the Valdora gold property near Val d'Or, Quebec (see "Optioned Properties"). On August 24, 2009, Thundermin received a \$100,000 cash payment from Alexis with respect to the Pelletier Lake gold property near Rouyn-Noranda, Quebec (see "Optioned Properties"). On September 24, 2009, Thundermin received a \$10,000 cash payment from Russet Lake with respect to an option agreement covering the Blue Quartz gold property (see "Property Transactions"). In November 2009, Thundermin raised \$500,000 in flow-through funds to be spent on Canadian exploration programs during 2010. Subsequent to year-end, on February 19, 2010, Thundermin received a further \$50,000 JCEAP grant with respect to exploration expenditures made on the Little Deer property during the first half of 2009. Thundermin also expects to receive further JCEAP grants of \$50,000 and \$41,000 in Q2-2010 with respect to exploration expenditures made on the Little Deer property during the second half of 2009.

Thundermin holds various shareholdings in thirteen, Canadian-based, junior resource companies that are actively exploring for gold, base metal, diamond, chrome and vanadium-titanium deposits in Canada (see "Marketable Securities" and "Property Transactions"). The quoted market value of Thundermin's marketable securities as at December 31, 2009 was \$1,333,561 compared to \$924,484 as at December 31, 2008. Of significance, Thundermin holds 172,700 shares of Queenston which is exploring its large land position in the Kirkland Lake gold camp of northern Ontario and has a new gold discovery on its 100% owned Upper Beaver property. In addition, Queenston, along with 50% joint venture partner, Kirkland Lake Gold Inc. ("KGI"), is exploring the extension of KGI's high grade South Mine Complex gold mineralization on claims held jointly by Queenston and KGI. Thundermin holds 300,000 shares of Cogitore, which has recently discovered high grade copper-zinc mineralization on the Scott Lake property which was acquired from Thundermin, 367,155 shares in KWG Resources Inc., which is exploring for copper-zinc, nickel-copper-platinum-palladium and chrome deposits in the "Ring of Fire" area of the James Bay Lowlands and 66,666 shares of Goldstone Resources Inc. which, along with Premier Gold Mines Ltd., is exploring for gold in the Geraldton

gold camp of north-western Ontario. Thundermin will continue to monitor the exploration successes of these junior exploration companies with the aim of collecting various royalties when due and/or monetizing its share position in these companies when appropriate.

2010

Thundermin's primary exploration focus during 2010 will continue to be on the Little Deer Copper Deposit and surrounding exploration lands. A \$1,500,000 diamond drilling program, comprising approximately 11,000 metres of drilling in 15 holes employing two drills commenced in February 2010. The primary purpose of this drill program is to increase the NI 43-101 mineral resource outlined to date in the Deposit to five to six million tonnes and to obtain ore samples for metallurgical testing at SGS Lakefield Research Limited. Subject to the results of the current drill program, it is anticipated that a major drilling program will be required in the second half of 2010 to upgrade the known resources from the Inferred to the Indicated category. This work will help to

determine if sufficient quantities of economic grade copper mineralization exist at depth and along strike from the areas that were mined in the early 1970's to justify the development of a new copper mine at Little Deer. In addition, Thundermin intends to continue to review new exploration properties of merit in Canada for the discovery of new base metal and gold deposits. Thundermin will also continue its strategy to joint venture or sell exploration properties from its inventory that no longer meet its exploration criteria.

"Signed"

John B. Heslop
*President and
Chief Executive Officer*

March 26, 2010

"Signed"

James W. Gill
Chairman of the Board

Management's Discussion and Analysis of Financial Condition and Results of Operations

General

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for Thundermin Resources Inc. ("Thundermin") is intended to supplement and compliment the audited financial statements and notes thereto for the year ended December 31, 2009, which have been prepared by Thundermin's management in accordance with Canadian generally accepted accounting principles ("GAAP"). The MD&A should be read in conjunction with the audited financial statements and the notes to the audited financial statements. The MD&A is current to March 26, 2010.

This MD&A, except for historical information, may contain "forward-looking statements" that reflect Thundermin's current expectations and projections about future results. When used in this MD&A, forward-looking statements can be identified by the use of words such as "estimate", "consider", "anticipate", "expect", "objective", "potential", "forecast", "believe", "project", "plan" and similar expressions or variations of such words. Forward-looking statements are, by their very nature, not guarantees of Thundermin's future operational or financial performance and these statements may involve known and unknown risks, uncertainties and other factors that may cause the actual level of activity, results, prospects and performance to differ materially from any future levels of activity, results, prospects and performance expressed in, or implied by, these forward-looking statements. Although Thundermin believes the expectations expressed in such forward-looking statements are based on reasonable assumptions,

such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements and there are no guarantees that any of Thundermin's projects will otherwise prove to be economic.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties referred to elsewhere in this MD&A, actual events may differ materially from current expectations. Thundermin disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Corporate Overview

Thundermin is a Canadian mineral exploration company focused on the discovery of new base metal and gold deposits in Canada. Thundermin has an interest in, or the right to acquire an interest in, 11 base metal and gold properties in Canada. In addition, Thundermin has a 6% net profits interest royalty in 26 base metal and gold properties located in Manitoba and Saskatchewan, a 3% net smelter returns ("NSR") royalty in a nickel-copper property located in the Ungava region of northern Quebec and a 1% NSR royalty in a gold-copper property located in the Stewart area of British Columbia. In addition, Thundermin holds various shareholdings in thirteen, Canadian-based, junior resource companies

that are actively exploring for gold, base metal, chrome, vanadium-titanium and diamond deposits in Canada (see "Marketable Securities"). Thundermin is a reporting issuer in Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia and its shares trade on the Toronto Stock Exchange under the trading symbol THR. Thundermin's head office is located in Toronto.

On June 20, 2007 Thundermin and 50% joint venture partner, Cornerstone Resources Inc. ("Cornerstone") announced that they had signed an agreement with Weyburn Investments Ltd. ("Weyburn") under which Thundermin and Cornerstone have the right to earn a 100% interest in Weyburn's Little Deer Copper Deposit ("Deposit") and adjacent property which is located approximately 10 kilometres ("kms") north of Springdale in north-central Newfoundland. During 2007, 2008 and 2009 Thundermin and Cornerstone completed 25,360 metres ("m") of diamond drilling in 39 holes on the Deposit. During 2009, an initial National Instrument 43-101 ("NI 43-101") compliant mineral estimate was completed on the Deposit by Micon International Limited ("Micon") and on February 3, 2010 Thundermin and Cornerstone announced that a \$1,500,000 follow-up exploration program, including approximately 11,000 m of diamond drilling employing two drills and borehole Pulse EM surveys, was planned for the first half of 2010 with the purpose of expanding the known mineral resource. This program commenced in early February and will be completed by July 2010 (see "Little Deer Copper Property").

During 2005, 2006, 2008 and 2009, Thundermin optioned the Pelletier Lake gold property near Rouyn-Noranda, Quebec; the Scott Lake zinc-copper property near Chibougamau, Quebec; the Gold Hawk gold property near Val d'Or, Quebec; the Blue Quartz gold property in Ontario; the Obalski, Cossette and Ramsey gold properties near Chibougamau, Quebec and the Valdora gold property near Val d'Or, Quebec to Alexis Minerals Corporation ("Alexis"); Cogitore Resources Inc. ("Cogitore"); Niogold Mining Corporation ("Niogold"); Russet Lake Resources Inc. ("Russet Lake"); a private individual ("Optionee"), and Alexandria Minerals Corporation ("Alexandria"), respectively. Exploration programs were carried out on most of these properties during 2009 and further work is planned on most for 2010 (see "Optioned Properties" and "Property Transactions").

During 2009, Thundermin focused its exploration efforts on two diamond drilling programs on the Little Deer Copper Deposit in order to confirm and increase the copper resources outlined by wide-spaced historical holes both at depth and along strike. In addition, Thundermin continued to review new exploration opportunities of merit for purchase or option.

Results from Operations

Thundermin had a net loss of \$751,036 (\$0.01 per share) in 2009 compared to a net loss of \$94,157 (\$0.00 per share) in 2008. The net loss for the year of \$751,036 in 2009 resulted from a loss from operations of \$398,963 and mineral properties and exploration costs written off of \$912,072 that were partially offset by a gain on sale of marketable securities of \$414,999, which resulted from the sale of 100,000 shares of Queenston Mining Inc. ("Queenston") and 100,000 shares of Alexis, and a recovery of future income taxes of \$145,000. The net loss for the year of \$94,157 in 2008 resulted from a loss from operations of \$300,450 and mineral properties and exploration costs written off of \$48,699 that was partially offset by a recovery of future income taxes of \$254,992.

Administration expenses for 2009 decreased to \$390,454 from \$475,971 in 2008. The decrease in administration expenses for 2009 over 2008 was primarily due to a decrease in wages to \$139,149 from \$148,883; a decrease in audit fees to \$33,300 from \$40,200; a decrease in general offices expenses to \$4,619 from \$62,567, due to a one-time cost of \$57,969 for the relocation of Thundermin's corporate head office in 2008; a decrease in other professional services to \$18,863 from \$21,550; a decrease in telephone costs to \$4,010 from \$6,417; a decrease in rent costs to \$26,903 from \$53,151; and a capital tax rebate of \$10,550 compared to a capital tax payment of \$2,205. These decreased costs in administration expenses for 2009 over 2008 more than off-set an increase in filing fees to \$33,236 from \$18,864; an increase in legal costs to \$20,317 from \$5,388; an increase in consulting fees to \$29,954 from \$15,475; and an increase in transfer agent costs to \$24,738 from \$22,692.

Revenues in 2009 decreased to \$145,130 from \$175,521 in 2008. Proceeds on the sale/transfer of mineral rights were \$142,950 in 2009 compared to \$145,501 in 2008. Interest income decreased to \$2,180 in 2009 from \$30,020 in 2008 due to lower cash balances and lower interest rates. During the year, Thundermin received a capital tax refund of \$10,550 compared to making a capital tax payment of \$13,012 in 2008.

Liquidity and Capital Resources

Thundermin's usual source of funding to meet exploration expenditures and cover administrative costs is to raise equity financing through private placements or the exercise of stock options and warrants as well as receiving proceeds from option payments from mineral property transactions, from the sale of marketable securities, from managing joint venture exploration programs and from government grants.

On January 26, 2009, Thundermin received a \$50,000 grant from the Government of Newfoundland & Labrador under its Junior Company Exploration Assistance Program ("JCEAP") with respect to exploration expenditures made on the Little Deer property during 2008. On July 18, 2009, Thundermin received a \$25,000 cash payment from the Optionee with respect to an option agreement covering Thundermin's Obalski, Cossette and Ramsey gold properties in the Chibougamau area of Quebec (see "Optioned Properties"). On July 31, 2009, Thundermin received 75,000 common shares (valued at \$4,800) and 75,000 common share purchase warrants (valued at \$3,150) from Alexandria with respect to a purchase and sale agreement covering Thundermin's 49% interest in the Valdora gold property near Val d'Or, Quebec (see "Optioned Properties"). On August 24, 2009, Thundermin received a \$100,000 cash payment from Alexis with respect to the Pelletier Lake gold property near Rouyn-Noranda, Quebec (see "Optioned Properties"). On September 24, 2009, Thundermin received a \$10,000 cash payment from Russet Lake with respect to an option agreement covering the Blue Quartz gold property (see "Property Transactions"). Subsequent to year-end, on February 19, 2010, Thundermin received a \$50,000 JCEAP grant with respect to exploration expenditures made on the Little Deer property during the first half of 2009. Thundermin also expects to receive further JCEAP grants of \$50,000 and \$41,000 in the second quarter of 2010 with respect to exploration expenditures made on the Little Deer property during the second half of 2009.

At December 31, 2009, Thundermin had cash and cash equivalents of \$787,439 compared to \$755,278 as at December 31, 2008. Thundermin's cash and cash equivalents as at December 31, 2009 comprised \$45,411 in cash and \$742,028 in Bankers' Acceptances which are short-term promissory notes that are guaranteed by Canadian banks. Accounts receivable as at December 31, 2009 amounted to \$174,108 (December 31, 2008 - \$259,150) and included government GST and QST tax receivables and exploration amounts due from a joint venture partner.

Working capital as at December 31, 2009 was \$2,144,523 compared to \$1,760,870 as at December 31, 2008. Working capital as at December 31, 2009 includes the \$1,333,561 quoted market value of Thundermin's marketable securities. Recent improved market conditions have significantly increased the quoted market value of Thundermin's marketable securities as at December 31, 2009 compared to December 31, 2008. Management will continue to review its portfolio of marketable securities with the view to maximizing returns in the market when appropriate.

Property Transactions

On September 1, 2008, Thundermin granted Russet Lake, a private Ontario corporation, the option to acquire Thundermin's 50% interest in the Blue Quartz gold property located in northern Ontario. In consideration of such option, Russet Lake paid \$10,000 cash and issued 25,000 Russet Lake shares to Thundermin upon signing of the agreement. To maintain the option, Russet Lake must make additional cash payments of \$30,000 and issue an additional 125,000 shares to Thundermin and complete \$500,000 of exploration work on the property in stages over three years. On July 29, 2009, Thundermin entered into an Option Assignment Consent Agreement wherein Red Mile Capital Corp. ("Red Mile"), an Alberta corporation, acquired the rights of Russet Lake in the Blue Quartz property as a Qualifying Transaction prior to listing on the Toronto Stock Exchange ("TSX-V"). All Russet Lake shares received or due under the agreement will be replaced with Red Mile shares on a one for one basis. On September 24, 2009, Thundermin received a \$10,000 payment from Russet Lake as per the terms of the original agreement. Subsequent to year-end, Red Mile commenced trading on the TSX-V and Thundermin received an additional 25,000 shares of Red Mile that Thundermin had agreed to defer the receipt thereof until after the closing of the Russet Lake – Red Mile transaction. Should Red Mile earn its interest in the property, Thundermin will retain a 0.5% NSR therein, 0.25% of which can be purchased from Thundermin at any time by Red Mile for \$250,000.

Financing Activities

On November 18, 2009, Thundermin raised \$500,000 by way of a non-brokered private placement to accredited investors. The private placement offering consisted of 2,777,778 units at a price of \$0.18 per unit. Each unit consisted of one flow-through common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase an additional common share at a price of \$0.25 per share on or before May 18, 2011. In the event that Thundermin's shares trade at a weighted-average price of \$0.50 or more per share over a period of at least 20 consecutive trading days, Thundermin will have the right, upon giving notice to the warrant holder, to accelerate the expiry date of the warrants to the date that is 30 days from the date that notice was provided.

Thundermin will evaluate avenues for raising additional funds for both exploration and general corporate purposes during 2010, including the issuance of flow-through shares and the sale of some of its marketable securities.

Queenston and 100,000 shares of Alexis, and a recovery of future income taxes of \$145,000. The net loss for the year of \$94,157 in 2008 resulted from a loss from operations of \$300,450 and mineral properties and exploration costs written off of \$48,699 that were partially offset by a recovery of future income taxes of \$254,992. The net income for the year of \$139,127 in 2007 resulted from a loss from operations of \$66,633 and mineral properties and exploration costs written off of \$30,847 that was offset by a gain on the sale of marketable securities of \$236,607.

Total assets increased to \$4,432,067 in 2009 from \$4,164,293 in 2008 and \$4,350,847 in 2007.

Total expenses for 2009 of \$544,093 include administration expenses of \$390,454 and compensation expense of \$153,639, reflecting the fair value of stock options granted during the year. Total expenses of \$475,971 for 2008 include a one-time charge of \$57,969 for the relocation of Thundermin's corporate head office. No stock options were granted in 2008. Total expenses of \$506,553 for 2007 include administration expenses of \$454,295 and compensation expense of \$52,258, reflecting the fair value of stock options granted during 2007.

Exploration

During 2009, Thundermin incurred exploration expenditures of \$823,650 compared to \$1,071,930 in 2008. The majority of these funds were expended on two diamond drilling programs on the Little Deer Copper Deposit in the Springdale area of north-central Newfoundland and on miscellaneous other projects, including landholding costs associated with Thundermin's portfolio of other Canadian properties.

Thundermin's exploration budget for the first half of 2010 is approximately \$750,000, the majority of which will be spent on diamond drilling and geophysical surveys on the Little Deer Copper Deposit with 50% partner Cornerstone contributing a further \$750,000. Thundermin anticipates that it may spend an additional \$500,000 on the Deposit during the second half of 2010. Further expenditures during 2010 will be subject to results from the drilling program currently in progress and the raising of additional financing.

Little Deer Copper Property

On June 20, 2007, Thundermin and 50% joint venture partner, Cornerstone, signed an agreement with Weyburn under which Thundermin and Cornerstone have an option to acquire a 100% interest in Weyburn's past-producing Little Deer Copper Deposit and adjacent property which is located approximately 10 kms north of Springdale in north-central Newfoundland. Thundermin, under its joint venture agreement with Cornerstone, has the right to increase its interest in the joint venture to 75% by completing a feasibility study

and by arranging 100% of the necessary bank financing required to place the property into commercial production. Details of the terms of the agreements with Weyburn and Cornerstone can be found on Thundermin's website and on SEDAR.

On July 12, 2009, Thundermin and Cornerstone maintained their option to earn a 100% interest in the Little Deer property by each agreeing to pay \$57,500 to Weyburn in cash and/or shares. Thundermin issued 342,262 shares to Weyburn at a price of \$0.168 per share and Cornerstone paid \$57,500 in cash. As per the terms of the agreement with Weyburn, Thundermin and Cornerstone are now each obligated to make a \$100,000 payment in cash and/or shares to Weyburn on or before July 12, 2010 which will keep the option on the Deposit in good standing until July 12, 2011.

From June 2007 to the end of December 2009, Thundermin and Cornerstone have spent approximately \$4,300,000 on the Little Deer property. Exploration work included approximately 25,360 m of diamond drilling in 39 holes, borehole Pulse EM surveys, assaying of core samples, lithogeochemical analysis on whole rock samples, a Differential GPS survey of all recent and historical drill holes to determine accurate collar locations and elevations, 227 line kms of VTEM airborne electromagnetic and magnetic surveys and the completion of an initial NI 43-101 compliant mineral resource estimate for the Deposit.

The diamond drilling undertaken to date has successfully confirmed historical copper grades and widths within the Deposit and has significantly extended, both to depth and along strike, the area of known copper mineralization to a vertical depth of approximately 895 m and over a strike length of approximately 1,050 m. The drilling results demonstrate that there is potential to outline a significant resource of economic grade copper mineralization within the Deposit below and along strike from areas that were mined in the early 1970's. Additional details on the Deposit can be found in Thundermin news releases dated May 1, June 21, July 9, October 30, December 11, 2007 and January 24, April 9, May 15, June 6, June 17, July 25, November 26, 2008 and February 25, May 12, June 16, July 7, July 16, August 20, August 27, September 15, 2009 and February 3, 2010 which are on Thundermin's website and on SEDAR.

On July 7, 2009, Thundermin and Cornerstone announced that an initial NI 43-101 mineral resource estimate had been completed by Micon of Toronto, Ontario under the supervision of Mr. Reno Pressacco, M.Sc.(A), P.Geo., Senior Geologist for Micon and an independent Qualified Person ("Q.P.") in accordance with NI 43-101. Micon estimated that the Deposit contains Indicated Resources of 1,087,000 tonnes ("t") at an average grade of 2.9% Cu and Inferred Resources

of 1,950,000 t at an average grade of 2.3% Cu. The Deposit remains open to the east, west and at depth and Thundermin believes that the potential for discovery of additional mineral resources is high. A NI 43-101 compliant Technical Report to support the mineral resource estimate, which was also prepared by Micon, was filed on SEDAR on August 20, 2009.

A \$900,000 diamond drilling program, announced on February 25, 2009 for the first half of 2009, was completed at the end of July 2009. A \$600,000 follow-up diamond drilling program, which commenced in September 2009 was completed in December 2009. Significant results from these two programs are presented in Table 3.

Upon completion of the 2009 drilling programs, Micon was retained to update the mineral resource domain models for the Deposit to include the 2009 assay results as set out in Table 3. The updated domain models were created by employing updated copper prices and exchange rates when compared to the parameters that were used in preparing the initial resource estimate and which were disclosed by Thundermin in a release

issued on July 7, 2009. It was determined by Micon that the updated domain models incorporating the 2009 results have the potential to increase the Inferred Resources for the Deposit by 150,000 tonnes to 2,100,000 tonnes at an average grade of 2.3% Cu. This increase in Inferred Resources, however, is conceptual in nature and it is uncertain whether further exploration will result in an expansion of the mineral resource.

3-D modeling by Crone Geophysics & Exploration Ltd. ("Crone") of borehole Pulse EM geophysical surveys that were conducted on several of the deeper holes drilled into the deposit suggested the presence of a substantial conductive plate lying east of hole LD-08-16A and below holes LD-09-23 and LD-09-21. Hole LD-08-09B, a wedge cut from hole LD-08-09 that was targeted to intersect this interpreted conductive plate, intersected a thick section of copper-bearing sulphides that assayed 1.2 % Cu over a core length of 27.8 m, including 1.2 % Cu over 9.4 m and 1.6% Cu over 12.5 m, including 2.3% Cu over 5.3 m. The intersection in hole LD-08-09B occurs approximately 250 m east of

Table 3. Little Deer Drill Results (2009)

Hole No.	East (m)	North (m)	Dip (°)	Az (°)	From (m)	To (m)	Interval (m)*	Cu (%)
LD-09-23	13,142	4,640	-70.7	315.2	803.3	807.0	3.7	2.4
LD-09-24	13,001	4,667	-72.2	336.2	751.7	755.9	4.2	2.6
LD-09-25	13,494	4,532	-71.8	326.0	811.5	821.9	9.5	1.6
LD-09-25A	13,494	4,532	-71.8	326.0	654.5	656.9	2.4	2.2
					753.2	722.6	1.5	5.0
					786.4	790.3	3.9	3.3
LD-09-28	13,138	4,634	-62.9	313.5	584.3	587.8	3.5	2.0
					638.2	642.2	4.0	2.2
LD-09-30	13,399	4,513	-67.0	311.9	687.4	691.0	3.6	2.2
incl					687.4	688.1	0.7	5.8
					690.5	691.0	0.5	7.2
					700.2	700.8	0.6	5.5
					716.0	717.7	1.7	2.0
LD-08-09B	13,090	4,597	-70.5	343.8	717.9	718.7	0.8	5.5
					921.4	921.8	0.4	5.6
					930.2	958.0	27.8	1.2
incl					930.2	939.6	9.4	1.2
					944.5	957.0	12.5	1.6
incl					946.3	951.6	5.3	2.3

• Reported intervals are core lengths. The true thicknesses of the various copper intersections are highly variable due to the stringer nature of the mineralization. Management, however, believes that the true thicknesses of the drill intercepts average approximately 70%-75% of core lengths.

A, B - Wedge holes

Copper is the predominant economic mineral at Little Deer. However, values from 1.0% to 4.0% zinc occur over a few metres. The best zinc intersection encountered to date is 1.8% Zn over 9.5 m in hole LD-09-25. The copper-rich intervals also contain from 0.01% to 0.06% cobalt and average approx. 0.03% cobalt.

a similar intersection in hole LD-08-16A and approximately 150 m below and west of hole LD-09-21 that assayed 2.1% Cu over 6.3 m.

Micon did not include the results from hole LD-08-09B in their updated mineral resource domain models for the Deposit as the intersection was deemed to be too far from adjacent holes to ensure continuity without additional follow-up drilling. Micon, however, has prepared a three dimensional model using all available data around this hole. This modeling suggests that there is the potential for an additional 900,000 to 1,100,000 tonnes of similar grade copper mineralization to exist in this area of the Deposit. This target, however, is conceptual in nature and it is uncertain whether further exploration will lead to the discovery of additional mineral resources in this area.

On February 3, 2010, Thundermin and Cornerstone announced the commencement of a \$1,500,000 diamond drilling program, comprising approximately 11,000 m of drilling in 15 holes and employing two drills. It is anticipated that this program will be completed by July 2010. The primary purpose of this drill program is to increase the mineral resource outlined to date in the Deposit to five to six million tonnes and to obtain ore samples for metallurgical testing at SGS Lakefield Research Limited. The potential increase of the current mineral resource is conceptual in nature and it is uncertain whether further exploration will result in an expansion of the mineral resource.

Approximately 11 holes, consisting of new holes from surface and wedge-cuts from both the new and existing holes, will be drilled on 100 m centres below the known mineralization over a strike length of approximately 800 m. Two holes will be drilled in the area of previous holes LD-98-07D and LD-08-15 which intersected significant thicknesses of high grade copper mineralization. These holes will provide sufficient fresh material for initial metallurgical testing and will also provide additional information on the extent of the thick copper mineralization intersected previously in this area of the Deposit. One hole will be drilled in the western end of the Deposit to provide additional information on the continuity, thickness and grades of the copper mineralization intersected previously in holes LD-08-10A, LD-08-16, LD-08-16A and LD-09-23. One hole will be drilled to fill in a large data gap in the central portion of the Deposit.

A prospecting program undertaken in 2004 over claims held 100% by Thundermin and Cornerstone led to the discovery of high grade gold in float and outcrop over a 1.5 km long, southwest trending area located 800 m from the southwest end of the Deposit. Eleven of fifteen grab samples collected over this area returned gold values ranging from 0.3 to 22.7 g/t Au with the five highest samples assaying 22.7, 21.7, 19.6, 10.9 and

10.4 g/t Au. Limited prospecting in the fall of 2009 confirmed the high grade boulders but did not locate the source of the mineralization in bedrock. A reconnaissance Induced Polarization geophysical survey will be completed this spring over this area in order to help define a drill target for the source of this high grade gold mineralization.

Mr. Andrew Hussey, P.Geo., Project Geologist and Lands Manager, Cornerstone Resources Inc., is the Q.P. that is responsible for supervising the drilling program on the Little Deer property for the purposes of NI 43-101.

Optioned Properties

On September 1, 2005, Thundermin granted to Alexis an option to acquire a 100% interest in Thundermin's **Pelletier Lake** gold property located in Rouyn-Noranda, Quebec. Under the terms of the agreement, Alexis was required to exercise the option and make a production commitment by September 1, 2008 and reach commercial production on the property by September 1, 2009. However, Alexis exercised its right to extend the time for exercising the option and making a production commitment until September 1, 2009 by paying \$75,000 cash to Thundermin on September 1, 2008. On August 1, 2009, Thundermin agreed to further extend the time for Alexis to exercise the option and make a production commitment on the property until September 1, 2010 provided Alexis made an additional \$100,000 cash payment to Thundermin on or before August 31, 2009, which payment was made on August 24, 2009. Upon reaching commercial production, Thundermin will be entitled to a 2.5% NSR on any production from the property. Complete details of the agreement can be found on Thundermin's website or on SEDAR.

Measured and Indicated Resources at Pelletier Lake are estimated by Alexis to be 917,883 t grading 7.11 g/t Au (209,895 oz Au) at a cut-off grade of 3.0 g/t Au. Inferred Resources are estimated to be 391,770 t grading 6.52 g/t Au (82,127 oz Au) at a cut-off grade of 3.0 g/t Au. This resource estimate was prepared by Mr. Carl Pelletier, P. Geo., of Innovexplo Inc., an independent Q.P. as defined under NI 43-101.

During the fourth quarter of 2009, Alexis commenced an underground exploration program designed to confirm the resource model and to extract a 40,000 t bulk sample for metallurgical testing. An initial 9,627 t of ore were milled in 2009 generating 1,175 oz of gold at an average recovery of 96.2%. An additional 9,800 t of development muck, with an estimated grade of 4.1 g/t, is currently stockpiled on surface awaiting milling. Thundermin will receive a 2.5% NSR royalty on all gold produced from the bulk sample once it has been milled and the gold refined at the Royal Canadian Mint.

Alexis has stated that it anticipates that it will make a production decision in 2010 and that it anticipates bringing the Pelletier Lake deposit into commercial production in 2010 at the rate of 40,000 to 50,000 oz of gold per year. Should this occur, this production would generate a minimum of US \$1,000,000 per year in royalties for Thundermin at a gold price of US \$1,025 per ounce.

On May 25, 2005, Thundermin granted Cogitore an option to acquire a 100% interest in Thundermin's **Scott Lake** massive base metal property located in Chibougamau, Quebec in consideration of staged payments totaling \$285,000 in cash and the issuance of 300,000 shares over a two year period. Among other things, upon reaching commercial production Cogitore is required to make a final cash payment to Thundermin ranging from \$1,000,000 to \$4,000,000, depending on the size of the deposit discovered, and issue to Thundermin 1,000,000 treasury shares. To date, Cogitore has been successful in discovering additional copper-zinc mineralization on the property. On November 23, 2009, Cogitore announced an NI 43-101 compliant mineral resource estimate for the West Zone of 3.6 million t grading 1.1% Cu, 5.2% Zn, 0.3 G/t Au and 36.0 g/t Ag. Diamond drilling is continuing on the property with the aim of expanding the current resources during 2010. Complete details of the agreement can be found on Thundermin's website or on SEDAR.

On July 18, 2008, Thundermin granted an Optionee the option to acquire a 100% interest in Thundermin's **Obalski, Cossette and Ramsey** gold properties located in the Chibougamau area of northern Quebec. In consideration of such option, the Optionee paid \$25,000 cash and issued 250,000 shares of Roxmark Mines Limited (now 66,666 shares of Goldstone Resources Inc.) to Thundermin upon signing of the agreement. To maintain the option, the Optionee must pay an additional \$25,000 to Thundermin on or before the first anniversary of the agreement, which payment was received, and complete \$75,000 in exploration on the property on or before the third anniversary of the agreement. Should the Optionee earn a 100% interest in the properties, Thundermin will be entitled to a 1.0% to 1.5% NSR in such properties, 0.5% to 1.0% of which can be purchased from Thundermin by the Optionee at any time for from \$500,000 to \$1,000,000. The Optionee plans to undertake exploration work on the properties during 2010.

On July 15, 2009, Thundermin completed an agreement of purchase and sale with Alexandria with respect to Thundermin's 49% interest in the **Valdora** gold property located in Bourlamaque and Louvicourt Townships, Quebec. The purchase price for Thundermin's interest in the property was 75,000 common shares of Alexandria and 75,000 common share purchase warrants entitling Thundermin to purchase 75,000 common shares of

Alexandria for \$0.15 per share on or before July 29, 2011. In addition, Thundermin is entitled to a 1.0% NSR on any production from the property, 0.5% of which can be purchased by Alexandria for \$200,000 at any time up to 90 days after the approval by Alexandria's board of a production decision with respect to the property. Alexandria plans to conduct exploration work on the property during 2010.

Share Capital

As at December 31, 2009, Thundermin had 71,964,525 shares outstanding, which is an increase of 3,119,889 shares compared to December 31, 2008. Of such shares, 2,777,778 were issued for total proceeds of \$500,000 pursuant to a private placement of units at a price of \$0.18 per unit; 342,262 shares were issued to Weyburn as per the terms of the Little Deer agreement; and 151 shares were cancelled due to rounding. In addition, as at December 31, 2009, Thundermin had 4,513,885 warrants, 625,000 agent's options and 3,295,000 stock options outstanding, which if fully exercised would add another 8,746,385 shares to Thundermin's issued capital.

Marketable Securities

As at December 31, 2009, Thundermin owned 172,700 shares of Queenston, a well-financed, junior resource company, which is exploring its large land position in the Kirkland Lake gold camp of northern Ontario and has a new gold discovery on its 100% owned Upper Beaver property. In addition, Queenston, along with 50% joint venture partner, Kirkland Lake Gold Inc. ("KGI"), is exploring the extension of KGI's high grade South Mine Complex gold mineralization on claims held jointly by Queenston and KGI. Thundermin also owned 369,500 shares of Niogold, which is exploring for gold west of Val d'Or, Quebec; 367,155 shares of KWG Resources Inc., which is exploring for copper-zinc, nickel-copper-platinum-palladium massive sulphide deposits and chrome deposits in the James Bay Lowlands of northern Ontario; 300,000 shares of Cogitore, which is exploring for massive copper-zinc sulphide deposits mainly in Quebec (including the Scott Lake property that Cogitore acquired from Thundermin); 250,000 shares of Mountain Boy Minerals Ltd. which is exploring for copper-gold deposits in the Stewart area of British Columbia; 120,100 shares of Apella Resources Inc. (formerly Novavest Resources Inc.) which is exploring for vanadium-titanium deposits in the Chibougamau area of Quebec; 75,000 shares of Alexandria which is exploring for gold in Bourlamaque and Louvicourt Townships of Quebec; 66,666 shares of Goldstone Resources Inc. (formerly 250,000 shares of Roxmark Mines Limited) which, along with Premier Gold Mines Ltd., is exploring for gold in the Geraldton gold camp of north-western Ontario; 43,300 shares of Cascadia International Resources Inc.; 32,000 shares of Lounor

Exploration Inc.; 25,000 shares of Russet Lake; 24,020 shares of Pro Minerals Inc. (a spin-out from Novawest) and 1,528 shares of Opawica Explorations Inc. The quoted market value of Thundermin's marketable securities as at December 31, 2009 was \$1,333,561 compared to \$924,484 as at December 31, 2008.

Contractual Obligations

On July 12, 2009, Thundermin and Cornerstone maintained their option to earn a 100% interest in the Little Deer copper property by each agreeing to pay \$57,500 to Weyburn in cash and/or shares. Thundermin elected to issue 342,262 shares to Weyburn at a price of \$0.168 per share whereas Cornerstone elected to pay \$57,500 in cash. As per the terms of the agreement with Weyburn, Thundermin and Cornerstone are now each obligated to make a \$100,000 payment in cash and/or shares to Weyburn on or before July 12, 2010 which will keep the option on the Deposit in good standing until July 12, 2011.

On May 1, 2009, Thundermin entered into an accounting support services agreement with Marrelli Support Services Inc. ("MSSI") whereunder MSSI will provide, beginning July 1, 2009, certain accounting support services to Thundermin for an annual fee of \$19,000. On July 8, 2009, in connection with such agreement with MSSI, Thundermin retained Mr. Robert D. B. Suttie, senior manager with MSSI, as its Chief Financial Officer. MSSI will be paid a fee of \$8,000 per year for Mr. Suttie's services. In addition, Mr. Suttie was granted a 5-year option to purchase 50,000 shares of Thundermin at \$0.16 per share.

Pursuant to flow-through share agreements signed on November 18, 2009, Thundermin is required to spend a minimum of \$500,000 on qualifying Canadian Exploration Expenditures during 2010.

On November 3, 1998, Thundermin entered into an employment agreement with Thundermin's Named Executive Officer, the President and CEO, Mr. John B. Heslop, which agreement provides for the payment of an annual salary to Mr. Heslop of \$175,000 per year. The agreement had an initial term ending October 31, 2000 and automatically renews annually thereafter unless either party elects to terminate the agreement by a specified date during any such term. In addition, Mr. Heslop will be entitled to receive an amount equal to two years salary in the event of his termination by Thundermin (except for cause or voluntary resignation or retirement) or under circumstances where his job functions, duties and/or responsibilities cease to be those presently undertaken by Mr. Heslop. As well, upon any such termination, non-salary benefits, including health benefits and the retention of stock options, of Mr. Heslop continue for a period of two years following termination.

Off Balance Sheet Arrangements

As of December 31, 2009, Thundermin had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to Thundermin.

Proposed Transactions

Thundermin's exploration efforts in the past three years have been focused on the Little Deer Copper Project in Newfoundland. Current market conditions for raising new capital along with the low price of Thundermin shares would make the raising of large amounts of new equity capital for new projects highly dilutive to existing shareholders. As a result, at the present time, there are no new acquisitions at an advanced stage of consideration. Management is, however, continuing to evaluate potential transactions or business combinations that are considered to be of long term strategic value.

Management is currently seeking a joint venture partner for its RLM base metal property in the Snow Lake area of Manitoba. Initial discussions have been had with several selected potential acquirers but no transaction for this property is imminent.

Exploration and Mining Standards and Risks

Thundermin conducts its exploration programs with high standards under "Exploration Best Practices Guidelines" established by the Canadian Institute of Mining, Metallurgy and Petroleum, which conform to NI 43-101 Standards of Disclosure for Mineral Projects and Companion Policy 43-101CP.

Thundermin's exploration programs are designed and managed by "Qualified Persons" who ensure that all exploration practices are based on industry standards. All mineral resource and reserve estimates comply with NI 43-101 unless stated otherwise.

All drill core samples to be assayed are selected by a Qualified Person, sawed in half and half sent to a registered commercial assay laboratory for analysis. Routine check samples are analyzed at a second laboratory and half of the drill core is kept for future reference.

Thundermin has not determined whether its properties contain reserves that are economically viable. Thundermin's financial success will be dependent upon the extent to which it can discover mineralization on its existing properties and the economic viability of developing such properties once technical and feasibility reports have been completed. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty and is dependent on a number of factors, many of which

are beyond Thundermin's control. Primary risks include the low success rate in the mineral exploration business of the discovery of new mineral deposits and metal price fluctuations. In addition, there can be no assurances that future environmental, political and regulatory changes will not adversely affect various aspects of Thundermin's operations.

Financial Instruments and Risk Factors

Thundermin's financial instruments consist of cash and cash equivalents, accounts receivable, marketable securities and accounts payable and accrued liabilities.

Management does not believe that these financial instruments expose Thundermin to any significant interest, currency or credit risks arising from these financial instruments. The fair market values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying values. Marketable securities are carried at quoted fair market value.

Thundermin's risk exposure and the impact on its financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment/contractual obligations. Thundermin is exposed to credit risk on its cash and cash equivalents and accounts receivable. Thundermin has deposited the cash and cash equivalents with reputable Canadian financial institutions, from which management believes the risk of loss is minimized. Management believes that credit risk concentration with respect to the financial instruments included in accounts receivable is remote. As at December 31, 2009, no accounts receivable are considered past due or impaired.

b) Liquidity Risk

Thundermin's approach to managing liquidity risks is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2009, Thundermin had a cash and cash equivalents balance of \$787,439 (2008 – \$755,278) to settle current liabilities of \$150,585 (2008 – \$178,042). In addition, as at December 31, 2009, the quoted value of Thundermin's marketable securities was \$1,333,561 (December 31, 2008 - \$924,484).

c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

(i) Interest Rate Risk

Thundermin has cash balances and no interest bearing debt. Thundermin's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions. Thundermin monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Price Risk

Thundermin is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Commodity price risk is remote since Thundermin is not a producing entity. Equity price risk is defined as the potential adverse impact on Thundermin's earnings due to movements in individual equity prices or general movements in the level of the stock market. Thundermin closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by Thundermin.

Sensitivity Analysis

Thundermin's marketable securities consist mainly of equity investments in various publicly listed entities. Based on management's knowledge and experience of the financial markets, Thundermin believes the following movements are "reasonably possible" over a twelve month period:

- (i)* A variance of 10% in the market value of Thundermin's marketable securities would affect comprehensive income by \$133,356.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include Thundermin's estimate of recoverable value on its exploration properties as well as the value of stock-based compensation. Both of these estimates involve considerable judgment and are, or could be, affected by significant factors that are out of Thundermin's control.

The recorded value of Thundermin's exploration properties is based on historical costs that expect to be recovered in the future. Thundermin's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and

future costs that may be required for ultimate realization through mining operations or by sale. Thundermin is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership and political risk, funding risk as well as environmental risk. There is always the potential for a material alteration to the presentation in the financial statements in the value of exploration properties subject to risks and changes presently not determinable and out of Thundermin's control.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of Thundermin's control and will depend, among other things, upon a variety of factors including the market value of Thundermin's shares and financial objectives of the holders of the options. Thundermin has used historical data to determine volatility in accordance with Black-Scholes modeling, however the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the stock-based compensation and hence results of operations, there is no impact on Thundermin's financial condition.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information is gathered and reported to senior management, including the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Thundermin's Chief Executive Officer and Chief Financial Officer, being the certifying officers, have evaluated the effectiveness of the design and operation of Thundermin's disclosure controls and procedures. Based on this evaluation, the certifying officers have concluded that Thundermin's disclosure controls and procedures, as defined in National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in Thundermin's annual filings and interim filings and reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported in a timely fashion.

It should be noted that a control system, including Thundermin's disclosure and internal controls and procedures, no matter how well conceived can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

The Company uses a service organization in Canada to perform some of its financial reporting functions including the preparation of financial statements.

Management currently monitors the work performed by the service organization through the review of financial statements and other financial information and discussions with the staff of the service organization.

The particular service organization obtained an auditors report of controls as at September 30, 2009 that stated its internal controls are documented and are operating effectively.

Design of Internal Controls over Financial Reporting ("ICFR")

Under NI 52-109, Thundermin's President and Chief Executive Officer and Chief Financial Officer are responsible for designing ICFR or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. An evaluation of Thundermin's ICFR was performed by the President and Chief Executive Officer and the Chief Financial Officer, with the assistance of other corporate personnel to the extent necessary or appropriate. Based on this evaluation, the President and Chief Executive Officer and the Chief Financial Officer concluded that Thundermin's ICFR were effective as at December 31, 2009. There was no change in Thundermin's ICFR that occurred during the period beginning on January 1, 2009 and ended on December 31, 2009, other than the appointment of a Chief Financial Officer on July 8, 2009, that has materially effected, or is reasonably likely to materially affect, Thundermin's ICFR.

Changes in Accounting Policies

Goodwill and Intangible Assets

Effective January 1, 2009, Thundermin adopted Section 3064 – Goodwill and Intangible Assets which replaced CICA Handbook sections 3062 and 3450, EIC 27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards ("IFRS"). The objectives of CICA 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to Goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intends to reduce the differences with IFRS

in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets.

The adoption of this standard had no impact on Thundermin's presentation of its financial position or results of operations as at or for the year ended December 31, 2009.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee of the CICA issued EIC 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on Thundermin's presentation of its financial position or results of operations as at or for the year ended December 31, 2009.

Mining Exploration Costs

In March 2009, the Emerging Issues Committee issued EIC 174, "Mining Exploration Costs", which provides guidance on the capitalization of exploration costs related to mining properties and the impairment review of such capitalized exploration costs. This EIC is effective for Thundermin on January 1, 2009. The adoption of this standard had no impact on Thundermin's presentation of its financial position or results of operations as at or for the year ended December 31, 2009.

Fair Value Hierarchy and Liquidity Risk Disclosure

In June 2009, the CICA issued an amendment to Handbook Section 3862 to provide improvements to fair value and liquidity risk disclosures. The amendment applies to Thundermin's fiscal year ending December 31, 2009. This adoption resulted in additional disclosure as provided below.

The following summarizes the methods and assumptions used in estimating the fair value of Thundermin's financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash, receivables, and accounts payable and accrued liabilities. Equity investments classified as available-for-sale that do not have an active trading market are recorded at cost. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those

financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in GAAP. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

	Level One	Level Two	Level Three
Marketable securities	\$1,333,560	\$ -	\$ -

Future Changes in Accounting Policies

Convergence with International Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including Thundermin, effective for fiscal years beginning on or after January 1, 2011. Accordingly, Thundermin will report interim and annual financial statements (with comparatives) in accordance with IFRS beginning with the quarter ended March 31, 2011.

IFRS Transition Plan

Thundermin has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes Thundermin's progress and expectations with respect to its IFRS transition plan (see the following page).

Impact of Adopting IFRS on Thundermin's Business

As part of its analysis of potential changes to significant accounting policies, Thundermin is assessing what changes may be required to its accounting systems and business processes. Thundermin believes that the changes identified to date are minimal and the systems and processes can accommodate the necessary changes.

To date, Thundermin has not identified any contractual arrangements that may be affected by potential changes to significant accounting policies.

Thundermin's staff and advisers involved in the preparation of the financial statements are being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of Thundermin who will be affected by a change to business processes as a result of the conversion to IFRS will also be trained as necessary.

The Board of Directors and the Audit Committee have been regularly updated on the progress of the IFRS conversion plan and made aware of the evaluation of the key aspects of IFRS affecting Thundermin.

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Completed during Q3 2009
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First Time Adoption of International Financial Reporting Systems.	Completed
Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives	In progress, completion expected during Q2 2010
Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements	In progress, completion expected during Q2 2010
Management and employee education and training	Throughout the transition process
Quantification of the Financial Statement impact of changes in accounting policies	Throughout 2010

First-time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS, effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

Thundermin has identified the following optional exemptions that it expects to apply in its preparation of an opening IFRS statement of financial position as at January 1, 2010, Thundermin's "Transition Date":

- To apply IFRS 2 *Share-based Payments* only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply IFRS 3 *Business Combinations* prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.
- To apply the transition provisions of IFRIC 14 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 *Borrowing Costs* prospectively from the transition date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

- To designate its marketable securities as available-for-sale at the Transition Date. Under IFRS financial assets must be designated as available-for-sale on initial recognition, however this first-time adoption exemption allows Thundermin to designate previously recognized financial assets as available-for-sale.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ending March 31, 2011, Thundermin may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of Thundermin's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on Thundermin's Financial Statements

The adoption of IFRS will result in some changes to Thundermin's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements.

The following provides a summary of Thundermin's evaluation to date of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight

the areas Thundermin has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to Thundermin's accounting policies on adoption of IFRS. At the present time, however, Thundermin is not aware of any significant expected changes prior to its adoption of IFRS that would affect the summary provided below.

1) Exploration and Evaluation Expenditures

Subject to certain conditions, IFRS currently allows an entity to determine an accounting policy that specifies the treatment costs related to the exploration for and evaluation of mineral properties.

Thundermin does not expect any changes to its accounting policies related to exploration and evaluation expenditures that would result in a significant change to line items within its financial statements.

2) Impairment of (Non-financial) Assets

IFRS requires a write-down of assets if the higher of the fair market value and the value-in-use of the group of assets is less than its carrying value. Value-in-use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

Thundermin's accounting policies related to impairment of non-financial assets will be changed to reflect these differences. However, Thundermin does not expect that this change will have an immediate impact on the carrying value of its assets. Thundermin will perform impairment assessments in accordance with IFRS at the Transition Date.

3) Share-based Payments

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

Thundermin does not expect any changes to its accounting policies related to share-based payments that would result in a significant change in line items within its financial statements.

4) Asset Retirement Obligations (Decommissioning Liabilities)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

Thundermin's accounting policies related to decommissioning liabilities will be changed to reflect these differences. However, Thundermin does not expect this change will have an immediate impact on the carrying value of its assets.

5) Property and Equipment

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

Thundermin does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

6) Income Taxes

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes.

Thundermin does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

- Thundermin's MD&A for the 2010 interim periods and the year ended December 31, 2010, will include updates on the progress of the transition plan, and, to the extent known, further information regarding the impact of adopting IFRS on the key items in the financial statements.
- Thundermin's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending March 31, 2011, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending March 31, 2011, will also include 2010 financial statements for the comparative period, adjusted to comply with IFRS, and Thundermin's transition date IFRS statement of financial position at January 1, 2010.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces section

1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 Business Combinations. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 Consolidated and Separate Financial Statements. Thundermin plans to adopt these standards effective January 1, 2010 and does not expect the adoption will have a material impact on the results of operations or financial position.

Outlook

Thundermin's primary exploration focus during 2010 will continue to be on the Little Deer Copper Deposit and surrounding exploration lands. A \$1,500,000 diamond drilling program, comprising approximately 11,000 metres of drilling in 15 holes employing two drills commenced in February 2010. The primary purpose of this drill program is to increase the NI 43-101 mineral resource

outlined to date in the Deposit to five to six million tonnes and to obtain ore samples for metallurgical testing at SGS Lakefield Research Limited. Subject to the results of the current drill program, it is anticipated that a major drilling program will be required in the second half of 2010 to upgrade the known resources from the Inferred to the Indicated category. This work will help to determine if sufficient quantities of economic grade copper mineralization exist at depth and along strike from the areas that were mined in the early 1970's to justify the development of a new copper mine at Little Deer.

In addition, Thundermin intends to continue to review new exploration properties of merit in Canada for the discovery of new base metal and gold deposits. Thundermin will also continue its strategy to joint venture or sell exploration properties from its inventory that no longer meet its exploration criteria.

Other Information

Additional information on Thundermin may be examined and/or obtained through the internet on SEDAR by accessing www.sedar.com and on Thundermin's website at www.thundermin.com or by contacting Thundermin.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Thundermin Resources Inc. were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to Thundermin's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the year end financial statements together with other financial information. An Audit Committee, consisting of three directors not involved in the daily operations of Thundermin, assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the year end financial statements together with other financial information of Thundermin. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the year end financial statements together with other financial information of Thundermin for issuance to the shareholders.

Management recognizes its responsibility for conducting Thundermin's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Signed"

James W. Gill
Chairman of the Board

"Signed"

John B. Heslop
President and Chief Executive Officer

Auditors' Report

To the Shareholders of Thundermin Resources Inc.

We have audited the balance sheets of Thundermin Resources Inc. as at December 31, 2009 and 2008 and the statements of operations, comprehensive loss, deficit and accumulated other comprehensive income, and cash flows for the years then ended. These financial statements are the responsibility of Thundermin's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Thundermin as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"MSCM LLP"
Chartered Accountants
Licensed Public Accountants
Toronto, Ontario

March 14, 2010

Balance Sheets*As at December 31*

	2009	2008
	\$	\$
Assets		
Current assets		
Cash and cash equivalents <i>(note 2)</i>	787,439	755,278
Accounts receivable	174,108	259,150
Marketable securities <i>(note 5)</i>	1,333,561	924,484
	2,295,108	1,938,912
Mineral properties and exploration costs <i>(note 6)</i>	2,136,959	2,225,381
	4,432,067	4,164,293
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	150,585	178,042
Shareholders' equity		
Share capital <i>(note 8(b))</i>	14,269,296	13,963,740
Contributed surplus <i>(note 8(d))</i>	879,634	619,051
Accumulated other comprehensive income	709,717	229,589
Deficit	(11,577,165)	(10,826,129)
	4,281,482	3,986,251
	4,432,067	4,164,293

Nature of Operations *(note 1)**The accompanying notes are an integral part of these financial statements.*

Signed on behalf of the Board:

*"Signed"***James W. Gill***Chairman of the Board**"Signed"***John B. Heslop***President and Chief Executive Officer*

Statements of Operations

For the years ended December 31

	2009	2008
	\$	\$
Revenues		
Proceeds on sale/transfer of mineral rights (note 6)	142,950	145,501
Interest income	2,180	30,020
	145,130	175,521
Expenses		
Administration	390,454	475,971
Stock-based compensation expense (note 9)	153,639	-
	544,093	475,971
Loss from operations	(398,963)	(300,450)
Gain on sale of marketable securities (note 5)	414,999	-
Mineral properties and exploration costs written off (note 6)	(912,072)	(48,699)
Loss before provision for income taxes	(896,036)	(349,149)
Recovery of income taxes – future (note 10)	145,000	254,992
Net loss for the year	(751,036)	(94,157)
Basic and diluted loss per share (note 13)	(0.01)	(0.00)

Statements of Comprehensive Loss

For the years ended December 31

	2009	2008
	\$	\$
Net loss for the year	(751,036)	(94,157)
Unrealized gain (loss) on marketable securities for the year	835,128	(372,665)
Reclassification adjustment for gains included in net loss for the year	(355,000)	-
Comprehensive loss for the year	(270,908)	(466,822)

Statements of Deficit and Accumulated Other Comprehensive Income

For the years ended December 31

	2009	2008
	\$	\$
Deficit, beginning of year	(10,826,129)	(10,731,972)
Net loss for the year	(751,036)	(94,157)
Deficit, end of year	(11,577,165)	(10,826,129)
Accumulated other comprehensive income, beginning of year	229,589	602,254
Unrealized gain (loss) on marketable securities for the year	835,128	(372,665)
Reclassification adjustment for gains included in net loss for the year	(355,000)	-
Accumulated other comprehensive income, end of year	709,717	229,589

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

Statements of Cash Flows

For the years ended December 31

	2009	2008
	\$	\$
Operating activities		
Net loss for the year	(751,036)	(94,157)
Items not affecting cash used in operating activities:		
Stock-based compensation expense (note 9)	153,639	–
Proceeds on sale/transfer of mineral rights	(142,950)	(145,501)
Mineral properties and exploration costs written off	912,072	48,699
Recovery of income taxes – future	(145,000)	(254,992)
Gain on sale of marketable securities	(414,999)	–
	(388,274)	(445,951)
Changes in non-cash working capital:		
Accounts receivable	33,176	(11,916)
Accounts payable	(53,951)	42,057
	(409,049)	(415,810)
Investing and exploration activities		
Mineral properties and exploration costs	(1,214,149)	(1,615,071)
Contributions from joint venturers	426,360	543,141
Cash proceeds on sale of mineral rights (note 6)	135,000	140,000
Government grants	100,000	–
Cash proceeds on sale of marketable securities (note 5)	493,999	–
	(58,790)	(931,930)
Financing activities		
Cash proceeds on issue of flow-through shares (note 8(b)(i) and (iii))	500,000	822,000
Cash proceeds on exercise of options	–	66,625
Share issue costs (note 8(b)(ii))	–	(35,000)
	500,000	853,625
Increase (decrease) in cash and cash equivalents	32,161	(494,115)
Cash and cash equivalents, beginning of year	755,278	1,249,393
Cash and cash equivalents, end of year	787,439	755,278
Non-cash transactions:		
Acquisition of mineral properties in exchange for common shares	57,500	–
Cash and Cash Equivalents is Represented by:		
Cash	45,411	595,677
Short-term deposits	742,028	159,601
	787,439	755,278

Supplemental Cash Flow Information (note 12)

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

Notes to Financial Statements

For the years ended December 31, 2009 and 2008

1. Nature of Operations

Thundermin Resources Inc. ("Thundermin") is a Canadian mineral exploration company focused on the exploration for and development of base metal and gold deposits in Canada.

In order to meet future expenditures and cover administrative costs, Thundermin may need to raise additional financing. Although Thundermin has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to Thundermin. These financial statements have been prepared on a going concern basis that assumes Thundermin will be able to realize its assets and discharge its liabilities in the normal course of business. The recoverability of the amounts shown for mineral properties and exploration costs is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in mineral properties, the ability of Thundermin to obtain the necessary financing to continue the development of its mineral properties, and upon future profitable production. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities that would be necessary if Thundermin were unable to achieve profitable operations or obtain adequate financing. Changes in future conditions could require material write downs of the carrying values of mineral properties and exploration costs.

2. Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Cash Equivalents

Thundermin considers cash equivalents to be highly liquid financial instruments with original maturities of three months or less. At December 31, 2009, cash equivalents consisted of short-term deposits in the form of bankers' acceptances. Thundermin has placed a \$100,000 (2008 – \$100,000) term deposit with a bank as security for a \$100,000 line of credit. As at December 31, 2009 and 2008 the line of credit was not utilized.

Financial Instruments

Thundermin's financial instruments include cash and cash equivalents, accounts receivable, marketable securities and accounts payable and accrued liabilities. Cash and cash equivalents are classified as held-for-trading. The carrying value of this instrument approximates its fair value due to its short term nature. Accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities are classified as other financial liabilities, both of which are measured at amortized cost. Thundermin's marketable securities consist of equity investments in various publicly listed entities and one equity investment in a privately held company. Marketable securities are classified as available-for-sale financial assets and are measured at fair value. The fair values of the publicly listed equity investments are based on quoted bid prices. Unrealized gains and losses are recognized in the statement of comprehensive (loss) income until the instrument is derecognized or impaired. The investment in the private entity has been measured at a nominal value of \$1 as there is no quoted market price available in an active market.

Mineral Properties and Exploration Costs

Mineral properties and exploration costs, net of recoveries, are deferred until production is attained or the balance thereof is written off if disposition occurs. The costs will be amortized against income using the unit-of-production method based on estimated recoverable reserves if the properties are brought into commercial production. The cost of mineral properties includes any cash consideration paid and the fair market value of shares issued, if any, on the acquisition of property interests. Mineral properties are recorded at cost and are not intended to represent present or future values. On a quarterly basis, Thundermin reviews the carrying values of deferred mineral properties and exploration costs to assess whether there has been an impairment in value. Thundermin recognizes write-downs for impairment where the carrying value of the mineral property exceeds its estimated long term net recoverable value. Recoverable value is estimated based upon current exploration results and upon management's assessment of the future probability of profitable revenues from the property or from the sale of the property.

Government Grants

Thundermin makes periodic applications for financial assistance under available government incentive programs and tax credits related to the mineral property expenditures. Thundermin recognizes government assistance on an accrual basis when all requirements to earn the assistance have been completed and receipt is reasonably assured. Government grants relating to mineral expenditures are reflected as a reduction of the cost of the property. Government grants relating to operating expenses are reflected as a reduction of the expense.

Joint Ventures

A portion of Thundermin's exploration activities are conducted jointly with others wherein Thundermin enters into agreements that provide for specified percentage interests in mineral properties. Joint venture accounting, which reflects Thundermin's proportionate interest in mineral properties, is applied by Thundermin only when commercial feasibility is established and the parties enter into formal comprehensive agreements for ownership and operational participation.

2. Significant Accounting Policies *(continued)**Environmental Expenditures and Asset Retirement Obligations*

The business conducted by Thundermin may be affected by environmental legislation and possible future changes thereto, the impact of which is not predictable. Thundermin recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is to be recognized when a reasonable estimate of fair value can be made.

Thundermin has determined that there are no asset retirement obligations nor any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these financial statements.

Share Issue Costs

Costs incurred for the issue of common and flow-through shares are deducted from share capital.

Income Taxes

Thundermin accounts for income taxes using the asset and liability method of accounting. Under this method, future income tax assets and future income tax liabilities are recorded based on temporary differences between the financial reporting basis of Thundermin's assets and liabilities and their corresponding tax basis. The future benefits of income tax assets, including unused tax losses, are recognized subject to a valuation allowance, to the extent that it is more likely than not that such losses will be ultimately utilized. These future income tax assets and liabilities are measured using substantively enacted tax rates and laws that are expected to apply when the tax assets or liabilities are to be settled or realized.

Flow-Through Shares

Thundermin has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. When expenditures are renounced to the subscribers and Thundermin has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized (renounced expenditures multiplied by the effective tax rate) thereby reducing share capital. If Thundermin has sufficient unused tax losses and deductions ("losses") to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses (losses multiplied by the effective corporate tax rate) is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

Earnings (Loss) Per Share

Basic earnings (loss) per share are calculated using the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti-dilutive.

Stock-Based Compensation

Thundermin has in effect a Stock Option Plan ("the Plan"), which is described in note 9. Stock options are accounted for using the fair value-based method. Fair value is calculated using the Black-Scholes model with the assumptions described in note 9. On the exercise of stock options, consideration received and the accumulated contributed surplus amount is credited to share capital.

Measurement Uncertainty

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 reported.

The Black-Scholes model used by Thundermin to determine fair values was developed for use in estimating the fair value of options. This model requires the input of highly subjective assumptions including future stock price volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing model does not necessarily provide a reliable single measure of the fair value of Thundermin's stock options and warrants granted during the year.

3. Changes in Accounting Policies*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on Thundermin's presentation of its financial position or results of operations for the year ending December 31, 2009.

Mining Exploration Costs

In March 2009, the Emerging Issues Committee issued EIC-174, Mining Exploration Costs, which provides guidance on the capitalization of exploration costs related to mining properties and the impairment review of such capitalized exploration costs. The adoption of this standard had no impact on Thundermin's presentation of its financial position or results of operations for the year ending December 31, 2009.

3. Changes in Accounting Policies (continued)*Goodwill and Intangible Assets*

Effective January 1, 2009, Thundermin adopted Section 3064 – Goodwill and Intangible Assets which replaced CICA Handbook sections 3062 and 3450, EIC-27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards (“IFRS”). The objectives of CICA 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to Goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intends to reduce the differences with IFRS in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets.

The adoption of this standard had no impact on Thundermin’s presentation of its financial position or results of operations for the year ending December 31, 2009.

Fair Value Hierarchy and Liquidity Risk Disclosure

In June 2009, the CICA issued an amendment to Handbook Section 3862 to provide improvements to fair value and liquidity risk disclosures. The amendment applies to Thundermin’s fiscal year ending December 31, 2009. This adoption resulted in additional disclosure as provided below.

The following summarizes the methods and assumptions used in estimating the fair value of Thundermin’s financial instruments where measurement is required. The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash, accounts receivable, and accounts payable and accrued liabilities. Equity investments classified as available-for-sale that do not have an active trading market are recorded at cost. Marketable securities with quoted market value are measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in Canadian GAAP. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable market data.

	Level One	Level Two	Level Three
	\$	\$	\$
Marketable securities	1,333,560	–	–

4. Future Changes in Accounting Policies*International Financial Reporting Standards (“IFRS”)*

In January 2006, the CICA’s Accounting Standards Board (“AcSB”) formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Thundermin will be required to have prepared, in time for its first quarter of fiscal 2011 filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2011. While Thundermin has begun assessing the impact of the adoption of IFRS on its financial statements, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – Business Combinations. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 – Consolidated and Separate Financial Statements. Thundermin plans to adopt these standards effective January 1, 2010 and does not expect the adoption will have a material impact on the results of operations or financial position.

5. Marketable Securities

During the year, Thundermin sold 100,000 common shares of Queenston Mining Inc. (“Queenston”) for net cash proceeds of \$437,349. The book value of the shares sold was \$32,000 resulting in a realized gain on disposal of \$405,349. During the same period, Thundermin also sold 100,000 common shares of Alexis Minerals Corporation (“Alexis”) for net cash proceeds of \$56,650. The book value of the shares sold was \$47,000 resulting in a realized gain on disposal of \$9,650. During fiscal 2008, Thundermin did not sell any marketable securities.

5. Marketable Securities (continued)

At December 31, 2009, Thundermin owned 172,700 (2008 – 272,700) common shares of Queenston. The quoted market value of these shares at December 31, 2009 was \$956,758 (2008 – \$752,652).

At December 31, 2009, Thundermin also owned 367,155 (2008 – 367,155) shares of KWG Resources Inc., 32,000 (2008 – 32,000) shares of Lounor Exploration Inc., 120,100 (2008 – 120,100) shares of Apella Resources Inc. (formerly Novawest Resources Inc.), 43,300 (2008 – 43,300) shares of Cascadia International Resources Inc., Nil (2008 – 100,000) shares of Alexis Minerals Corporation (“Alexis”), 300,000 (2008 – 300,000) shares of Cogitore Resources Inc. (“Cogitore”), 369,500 (2008 – 369,500) shares of Niogold, 1,528 (2008 – 1,528) shares of Opawica Explorations Inc., 250,000 (2008 – 250,000) shares of Mountain Boy Minerals Ltd. (“Mountain Boy”), 24,020 (2008 – 24,020) shares of Pro Minerals Inc., 66,666 (2008 – 66,666) shares of Goldstone Resources Inc. (“Goldstone”) (formerly Roxmark Minerals Ltd.), and 75,000 shares of Alexandria Minerals Corporation (“Alexandria”) (2008 Nil). The quoted market value of these shares at December 31, 2009 was \$376,803 (2008 – \$171,831).

At December 31, 2009, Thundermin also owned 25,000 (2008 – 25,000) shares of Russet Lake Resources Inc. (“Russet Lake”), a private company with no quoted market price. A nominal value of \$1 has been assigned to these shares (*note 6*).

6. Mineral Properties and Exploration Costs

	Balance December 31, 2008	Additions	Sales, Grants or Recoveries	Write-offs	Balance December 31, 2009
	\$	\$	\$	\$	\$
Little Deer	1,307,923	1,302,090	(521,653)	–	2,088,360
Pelletier Lake	39,445	9,921	(767)	–	48,599
Linda, McKayseff and Rod	878,013	5,496	–	(883,509)	–
Others	–	28,563	–	(28,563)	–
	2,225,381	1,346,070	(522,420)	(912,072)	2,136,959

	Balance December 31, 2007	Additions	Sales, Grants or Recoveries	Write-offs	Balance December 31, 2008
	\$	\$	\$	\$	\$
Little Deer	457,438	1,477,538	(627,053)	–	1,307,923
Pelletier Lake	110,577	3,868	(75,000)	–	39,445
Linda, McKayseff and Rod	869,660	8,353	–	–	878,013
Others	–	48,699	–	(48,699)	–
	1,437,675	1,538,458	(702,053)	(48,699)	2,225,381

(i) Little Deer

On June 20, 2007, Thundermin and 50% joint venture partner, Cornerstone Capital Resources Inc. (“Cornerstone”), signed an agreement (the “Agreement”) with Weyburn Investments Ltd. (“Weyburn”) under which Thundermin and Cornerstone have an option to acquire a 100% interest in Weyburn’s Little Deer Copper Deposit and adjacent property (“Weyburn Property”) which is located 10 km north of Springdale in north-central Newfoundland. Thundermin and Cornerstone each paid \$85,000 in cash to Weyburn upon signing of the Agreement.

Under the terms of the agreement with Weyburn, in order to extend the option beyond the second anniversary of the agreement, Thundermin and Cornerstone agreed to pay to Weyburn a total of \$115,000 (\$57,500 each in cash and/or shares at each company’s election) on or before July 12, 2009. Thundermin elected to issue 342,262 shares (issued), at a price of \$0.168 per share, and Cornerstone elected to pay \$57,500 in cash. By electing to make the \$115,000 payment to Weyburn, Thundermin and Cornerstone are now committed to make a further \$200,000 total payment (\$100,000 each in cash and/or shares at each company’s election) to Weyburn on or before July 12, 2010, which will keep the option on the Deposit in good standing until July 12, 2011.

(ii) Pelletier Lake

On September 1, 2005, Thundermin granted to Alexis an option to acquire a 100% interest in the Pelletier Lake gold property. In consideration of such option, on October 25, 2005, Alexis paid \$75,000 cash and issued 100,000 Alexis common shares to Thundermin. To maintain the option, Alexis was required to spend \$1,000,000 on exploration and delineation drilling and engineering work over three years, which expenditures were made.

6. Mineral Properties and Exploration Costs *(continued)*

Alexis was also required to make a production decision on the property by September 1, 2008 and reach commercial production by September 1, 2009. Upon reaching commercial production, Thundermin will be entitled to receive a 2.5% net smelter returns ("NSR") royalty on any and all minerals produced from the property. In addition, Thundermin will receive a royalty of \$1.00 per tonne for any and all ores broken by Alexis on adjoining properties and hoisted to surface through current infrastructure on the Pelletier Lake property. Alexis exercised its right to extend the time for making a production decision until September 1, 2009 by making a \$75,000 cash payment to Thundermin on September 1, 2008. If Alexis fails to reach commercial production by September 1, 2010, then Alexis has the right to maintain the property by making advance royalty payments to Thundermin of \$75,000 cash per year until commercial production has been reached. Alexis will have the option of substituting \$45,000 of such cash payment with \$45,000 worth of Alexis' stock. Any advance royalty payments so made will be recoupable by Alexis out of NSR royalties otherwise payable to Thundermin.

On August 1, 2009, Thundermin agreed to further extend the time for Alexis to make a production decision until September 1, 2010 provided Alexis made an additional \$100,000 cash payment to Thundermin (received) on or before August 31, 2009. Upon reaching commercial production, Thundermin will be entitled to a 2.5% NSR on any production from the property.

(iii) Linda, McKayseff and Rod

Teck Resources Limited ("Teck Resources") retains a back in right to reacquire a 42% interest in any deposit found on the property which contains a mineral resource of at least 225,000 tonnes of copper or copper equivalent. Should Thundermin enter into a joint venture on the property with a major producing mining company, Teck Resources' back in right is reduced to 14%. During the year, management determined that further expenditure on this property was not within its short term strategic plan. Accordingly, all costs associated with this project (\$883,509) have been written off.

(iv) Blue Quartz

On September 1, 2008, Thundermin granted Russet Lake the option to acquire Thundermin's 50% interest in the Blue Quartz gold property located in Northern Ontario. In consideration of such option, Russet Lake paid \$10,000 cash and issued 25,000 Russet Lake shares to Thundermin upon signing of the agreement. To maintain the option, Russet Lake must make additional cash payments of \$30,000 and issue an additional 125,000 Russet Lake shares to Thundermin and complete \$500,000 of exploration work on the property in stages over three years. Should Russet Lake earn its interest in the property, Thundermin will retain a 0.5% NSR, 0.25% of which can be purchased from Thundermin at any time by Russet Lake for \$250,000. Included in proceeds on sale/transfer of mineral rights is \$10,000 (2008 – \$10,001) consisting of cash (2008 – cash and shares) received by Thundermin from Russet Lake, net of costs incurred by Thundermin on the property.

(v) Obalski, Cossette and Ramsey

On July 18, 2008, Thundermin granted an Optionee the option to acquire a 100% interest in Thundermin's Obalski, Cossette and Ramsey gold properties located in the Chibougamau area of northern Quebec. In consideration of such option, the Optionee paid \$25,000 and issued 250,000 free trading shares of Goldstone (formerly Roxmark) to Thundermin upon signing of the agreement. To maintain the option, the Optionee must pay an additional \$25,000 (paid) to Thundermin on or before the first anniversary date of the agreement and complete \$75,000 in exploration on the property on or before the third anniversary of the agreement. Should the Optionee earn a 100% interest in the properties, Thundermin will be entitled to a 1.0% to 1.5% NSR in such properties, 0.5% to 1.0% of which can be purchased from Thundermin by the Optionee at any time for from \$500,000 to \$1,000,000. Included in proceeds on sale/transfer of mineral rights is \$25,000 (2008–\$57,500) consisting of cash (2008 – cash and shares) received by Thundermin from the Optionee, net of costs incurred by Thundermin on the properties.

(vi) Gold Hawk

On February 16, 2006, Thundermin granted Niogold an option to acquire a 100% interest in the Gold Hawk gold property located west of Val d'Or, Quebec. To date, Niogold has paid \$50,000 in cash and issued 400,000 Niogold shares to Thundermin. To earn its interest in the property, Niogold also had to spend \$250,000 on the property before February 15, 2009, which expenditures were made. Included in fiscal 2008 proceeds on sale/transfer of mineral rights is \$78,000 consisting of cash and shares received by Thundermin from Niogold, net of costs incurred by Thundermin on the property.

(vii) Valdora

On July 15, 2009, Thundermin completed an agreement of purchase and sale with Alexandria with respect to Thundermin's 49% interest in the Valdora gold property located in Bourlamaque and Louvicourt Townships, Quebec. The purchase price for Thundermin's interest in the property was 75,000 common shares (with a fair value of \$4,800) of Alexandria and 75,000 common share purchase warrants (with a fair value of \$3,150) entitling Thundermin to purchase 75,000 common shares of Alexandria for \$0.15 per share on or before July 29, 2011. In addition, Thundermin is entitled to a 1.0% NSR on any production from the property, 0.5% of which can be purchased by Alexandria for \$200,000 at any time up to 90 days after the approval by Alexandria's board of a production decision with respect to the property. Included in proceeds on sale/transfer of mineral rights is \$7,950.

7. Segment Disclosure

Thundermin has one operating segment, being the exploration of mineral properties. All of Thundermin's assets are located in Canada.

8. Share Capital*(a) Authorized*

Thundermin is authorized to issue an unlimited number of common shares and an unlimited number of Class A shares, issuable in series.

(b) Issued and outstanding common shares

	Shares	Amount
		\$
Balance, as at December 31, 2007	62,056,638	13,751,071
Flow-through share private placement <i>(note 8(b)(i))</i>	6,250,000	500,000
Allocation to warrants <i>(note 8(c))</i>	–	(75,858)
Issued on exercise of options	538,000	66,625
Value of options exercised	–	37,661
Tax benefits renounced on flow-through shares <i>(note 8(b)(ii))</i>	–	(254,992)
Share issue costs <i>(note 8(b)(i))</i>	–	(60,767)
Fractional shares cancelled	(2)	–
Balance, as at December 31, 2008	68,844,636	13,963,740
Flow-through share private placement <i>(note 8(b)(iii))</i>	2,777,778	500,000
Allocation to warrants <i>(note 8(c))</i>	–	(106,944)
Tax benefits renounced on flow-through shares <i>(note 8(b)(iv))</i>	–	(145,000)
Issued on settlement of property option obligation <i>(note 6)</i>	342,262	57,500
Fractional shares cancelled	(151)	–
Balance, as at December 31, 2009	71,964,525	14,269,296

- (i) On December 31, 2008, Thundermin raised \$500,000 by way of private placement. The private placement offering consisted of 6,250,000 units at a price of \$0.08 per unit. Each unit consisted of one flow-through common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.25 per share until June 30, 2010. The agent for the private placement was paid a finder's fee of \$25,000 cash and a due diligence fee of \$10,000 cash and granted 625,000 agent's options. Each agent's option entitles the holder to purchase an agent's unit at a price of \$0.08 per agent's unit for a period of 18 months from the date of closing. Each agent's unit is comprised of one common share and one half share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.25.

The fair value of the agents' options was allocated to share issue costs and has been determined to be \$25,767 using the Black-Scholes model based on the following assumptions:

Risk free interest rate	1.11%
Dividend yield	Nil
Expected stock volatility	141%
Expected life	1.5 years

- (ii) In connection with the issuance of flow-through shares under the private placements in 2007 Thundermin renounced \$749,975 of qualifying expenditures to shareholders in fiscal 2008. The tax benefit forgone by Thundermin in fiscal 2008 amounted to \$254,992.
- (iii) On November 18, 2009, Thundermin raised \$500,000 by way of private placement. The private placement offering consisted of 2,777,778 units at a price of \$0.18 per unit. Each unit consisted of one flow-through common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.25 per share until May 18, 2011.
- (iv) In connection with the issuance of flow-through shares under the private placements in 2008 Thundermin renounced \$500,000 of qualifying expenditures to shareholders in fiscal 2009. The tax benefit forgone by Thundermin in fiscal 2009 amounted to \$145,000.

8. Share Capital (continued)*(c) Warrants*

Details of warrants outstanding are as follows:

	Number of Warrants	Exercise Price/Warrant	Expiry Date
Balance, December 31, 2007	1,171,836	\$0.50	
Issued during 2008:			
December 31, 2008 (note 8(b)(ii))	3,125,000	\$0.25	June 30, 2010
Expired during 2008	(1,171,836)	\$0.50	December 27, 2008
Balance, December 31, 2008	3,125,000	\$0.25	
Issued during 2009:			
November 18, 2009 (note 8(b)(iii))	1,388,885	\$0.25	May 18, 2011
Balance, December 31, 2009	4,513,885	\$0.25	

The fair value of the warrants issued in 2009 has been determined to be \$106,944, using the Black-Scholes pricing model based on the following assumptions:

Risk free interest rate	1.31%
Dividend yield	Nil
Expected stock volatility	141%
Expected life	1.5 years

The fair value of the warrants issued in 2008 has been determined to be \$75,858, using the Black-Scholes pricing model based on the following assumptions:

Risk free interest rate	1.11%
Dividend yield	Nil
Expected stock volatility	141%
Expected life	1.5 years

(d) Contributed Surplus

	2009	2008
	\$	\$
Balance, beginning of year	619,051	555,087
Fair value of warrants issued (note 8(c))	106,944	75,858
Fair value of agent options issued	-	25,767
Fair value of options issued (note 9)	153,639	-
Fair value of options exercised	-	(37,661)
Balance, end of year	879,634	619,051

9. Stock-Based Compensation

On May 14, 2009 the shareholders of Thundermin approved an amendment to its stock option plan whereby Thundermin has reserved and set aside up to 10% of the issued and outstanding shares of Thundermin for granting of options to directors, officers and employees under Thundermin's stock option plan ("the Plan"). The terms of the awards under the Plan are determined by the Board of Directors. A summary of the status of Thundermin's outstanding stock options as of December 31, 2009 and 2008 is presented below.

	December 31, 2009		December 31, 2008	
	Number of Stock Options	Weighted-average Exercise Price	Number of Stock Options	Weighted-average Exercise Price
		\$		\$
Outstanding, beginning	2,950,000	0.13	3,538,000	0.13
Granted	2,245,000	0.10	-	-
Exercised	-	-	(538,000)	0.125
Expired	(1,900,000)	0.15	(50,000)	0.15
Outstanding, ending	3,295,000	0.10	2,950,000	0.13

On July 8, 2009 Thundermin granted 50,000 incentive stock options to a senior officer of Thundermin, with an exercise price of \$0.16, expiring in five years and vesting immediately upon grant. A fair value of \$6,400 was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 128.11%, a risk free interest rate of 2.39%, and an expected life of 5 years. The resulting fair value has been charged to Thundermin's statement of operations.

9. Stock-Based Compensation *(continued)*

On March 9, 2009, Thundermin granted 2,195,000 incentive stock options to directors, officers and employees, with an exercise price of \$0.10, expiring in five years and vesting immediately upon grant. A fair value of \$147,239 was determined utilizing the Black-Scholes model for pricing option, with the following assumptions: dividend yield 0%, expected volatility 84%, a risk free interest rate of 1.86%, and an expected life of 5 years. The resulting fair value has been charged to Thundermin's statement of operations.

The weighted-average remaining contractual life and weighted-average exercise price of options outstanding and of options exercisable as at December 31, 2009 are as follows:

Expiry Date	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted-average Exercise Price	Weighted-average Remaining Contractual Life (years)	Number Exercisable	Weighted-average Exercise Price
		\$			\$
March 23, 2012	1,050,000	0.10	2.20	1,050,000	0.10
March 8, 2014	2,195,000	0.10	4.20	2,195,000	0.10
July 8, 2014	50,000	0.16	4.52	50,000	0.16
	3,295,000	0.10	3.56	3,295,000	0.10

10. Income Taxes*(a) Recovery of Provision for Income Taxes*

Major items causing Thundermin's income tax rate to differ from the Canadian Statutory rate of approximately 31% (2008 – 34%) were as follows:

	2009	2008
	\$	\$
Loss before (recovery of) provision for future income taxes	(896,036)	(349,149)
Expected income tax (recovery) provision	(277,771)	(118,711)
Adjustments resulting from:		
Permanent differences	(38,089)	1,364
Tax rate changes and other adjustments	974,872	864,019
Marketable securities	129,445	–
Share issue costs	–	(11,900)
Expiry of non-capital losses	–	144,656
Decrease in valuation allowance	(933,457)	(1,134,420)
Income tax recovery reflected in the statement of operations	(145,000)	(254,992)

(b) Future Income Taxes

The approximate tax effect of each type of temporary difference that gives rise to Thundermin's future income tax assets are as follows:

	2009	2008
	\$	\$
Mineral properties and exploration costs	5,343,259	5,956,829
Non-capital losses	744,813	860,000
Marketable securities	(88,715)	–
Capital losses	641,433	744,062
Share issue costs	12,653	24,623
Other	45,285	46,671
Future income tax assets, before valuation allowance	6,698,728	7,632,185
Valuation allowance	(6,698,728)	(7,632,185)
Net future income tax assets	–	–

The timing of the utilization of the future tax assets is undeterminable. Consequently, a full valuation allowance has been provided against the future value of these assets.

10. Income Taxes (continued)*(c) Tax Loss Carry-Forwards*

As at December 31, 2009, Thundermin had approximately \$23,507,000 of unclaimed exploration and development expenditures, \$2,862,700 of non-capital losses carried forward, and \$5,131,460 of capital losses carried forward available to reduce future taxable income.

Any non-capital losses that are unutilized to reduce taxable income in future years expire at the end of the following years:

	\$
2010	545,000
2014	488,000
2015	397,000
2026	502,000
2027	452,000
2028	268,700
2029	210,000
	<u>2,862,700</u>

11. Commitment

Pursuant to the common share flow-through financing described in note 8(b)(iii), Thundermin is required to spend \$500,000 on Canadian Exploration Expenditures in 2010.

12. Supplemental Cash Flow Information

	2009	2008
	\$	\$
Interest received	2,180	30,020
Capital taxes (received) paid	(10,550)	13,012

13. (Loss) Per Common Share

	2009	2008
	\$	\$
Numerator:		
Net loss attributable to common shareholders – basic and diluted	(751,036)	(94,157)
Denominator:		
Weighted-average common shares outstanding – basic	69,220,599	62,498,780
Effect of dilutive securities: stock options and warrants		
Weighted-average common shares outstanding – diluted	69,220,599	62,498,780
Basic loss per common share	(0.01)	0.00
Diluted loss per common share	(0.01)	0.00

As a result of the net losses for the years ended December 31, 2009 and 2008, the potential effect of the exercise of stock options and warrants was anti-dilutive. Therefore, the options and warrants were excluded from the computation of weighted-average number of diluted common shares outstanding as their inclusion would be anti-dilutive.

14. Capital Disclosures

Thundermin's capital is composed of shareholders' equity. Thundermin manages its capital structure and makes adjustments to it, based on the funds available to Thundermin, in order to support the acquisition, exploration and development of mineral properties.

The properties in which Thundermin currently has an interest are in the exploration stage; as such Thundermin is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, Thundermin will spend its existing working capital and raise additional amounts as needed. Thundermin will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Thundermin is not subject to any externally imposed capital requirements.

15. Financial Risk Factors

Thundermin's risk exposure and the impact on its financial instruments are summarized below:

(a) *Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment/contractual obligations. Thundermin is exposed to credit risk on its cash and cash equivalents and accounts receivable. Thundermin has deposited the cash and cash equivalents with reputable Canadian financial institutions, from which management believes the risk of loss is minimized. Management believes that credit risk concentration with respect to the financial instruments included in accounts receivable is remote. As at December 31, 2009, no accounts receivable are considered past due or impaired.

(b) *Liquidity Risk*

Thundermin's approach to managing liquidity risks is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2009, Thundermin had a cash and cash equivalents balance of \$787,439 (2008 – \$755,278) to settle current liabilities of \$150,585 (2008 – \$178,042). In addition, as at December 31, 2009, the quoted value of Thundermin's marketable securities was \$1,333,561 (December 31, 2008 – \$924,484).

(c) *Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

(i) *Interest Rate Risk*

Thundermin has cash balances and no interest bearing debt. Thundermin's current policy is to invest excess cash in investment grade short-term deposit certificates issued by its banking institutions. Thundermin monitors the investments it makes and is satisfied with the credit ratings of its banks.

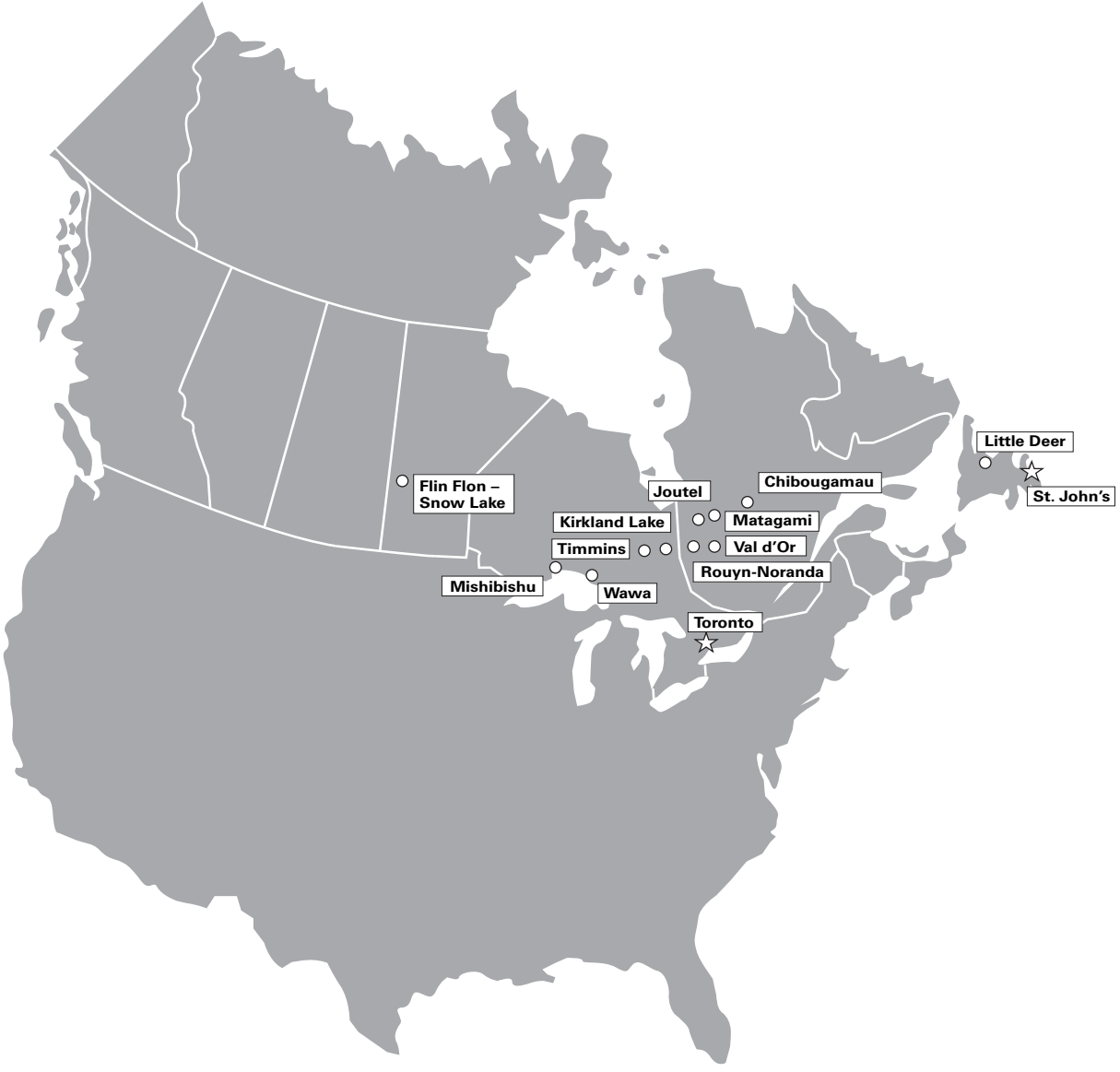
(ii) *Price Risk*

Thundermin is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Commodity price risk is remote since Thundermin is not a producing entity. Equity price risk is defined as the potential adverse impact on Thundermin's earnings due to movements in individual equity prices or general movements in the level of the stock market. Thundermin closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by Thundermin.

(d) *Sensitivity Analysis*

Thundermin's marketable securities consist mainly of equity investments in various publicly listed entities. Based on management's knowledge and experience of the financial markets, Thundermin believes the following movements are "reasonably possible" over a twelve month period:

- (i) A variance of 10% in the market value of Thundermin's marketable securities would affect comprehensive income by \$133,356.



Corporate Information

DIRECTORS

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*Mining Executive,
Guelph*

James W. Gill[•]

*Mining Consultant,
Toronto*

Hugh D. Harbinson

*Chairman,
Queenston Mining Inc.,
Toronto*

John B. Heslop

*President and Chief Executive Officer,
Thundermin Resources Inc.,
Burlington*

Peter McCarter

*Retired Mining Consultant,
Toronto*

Charles E. Page[•]

*President and Chief Executive Officer,
Queenston Mining Inc.,
Burlington*

[•] *Member of Audit Committee*

OFFICERS

James W. Gill

Chairman of the Board

John B. Heslop

President and Chief Executive Officer

Robert D. B. Suttie

Chief Financial Officer

Susan Smith

Secretary

Peter McCarter

Assistant Secretary

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Equity Transfer & Trust Company,
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Stock Exchange Listing

Toronto Stock Exchange (TSX)
Symbol – THR



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Toronto Stock Exchange (TSX) symbol – THR