

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed financial statements of Thundermin Resources Inc. ("Thundermin") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments 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 period end financial statements together with other financial information. An Audit Committee 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 period 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 period end unaudited condensed 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.

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Thundermin have been prepared by and are the responsibility of Thundermin's management.

Thundermin's independent auditor has not performed a review of these unaudited condensed financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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 accompanying condensed unaudited financial statements and notes thereto for the three and nine month period ending September 30, 2011, which have been prepared by Thundermin's management in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The MD&A should also be read in conjunction with Thundermin's annual MD&A, dated March 25, 2011, which was filed on SEDAR on March 31, 2011. Thundermin's independent auditor has not audited or performed a review of the condensed financial statements. This MD&A is dated November 10, 2011. Thundermin's public filings, including its most recent Annual Information Form, 2010 Annual Report and Information Circular can be viewed on the SEDAR website at www.sedar.com.

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 and development of new base metal and gold deposits in Canada. Thundermin has an interest in, or the right to acquire an interest in, 12 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. Thundermin also 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, Canada.

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 had the right to earn a 100% interest in Weyburn's Little Deer Copper Deposit (the "Deposit") and adjacent property which is located approximately 10 kilometres ("kms") north of Springdale in north-central Newfoundland. As of May 28, 2011, Thundermin and Cornerstone had completed 48,498 metres ("m") of drilling in 82 holes on the Deposit. On June 22, 2011, an updated National Instrument 43-101 ("NI 43-101") compliant mineral resource estimate was announced for the Deposit. P&E Mining Consultants Inc. ("P&E") of Toronto, Ontario, Thundermin's independent resource estimate consultants, estimated that the Deposit contains Indicated Resources of 1,911,000 tonnes ("t") at an average grade of 2.37% Cu and additional Inferred Resources of 3,748,000 t at an average grade of 2.13% Cu. On July 12, 2011, Thundermin and Cornerstone exercised their option to acquire a 100% interest in the Deposit and adjacent property (see Little Deer Copper Property). On October 20, 2011, Thundermin and Cornerstone announced encouraging new tonnage potential on the adjoining, past-producing Whalesback Copper Mine property. On November 1, 2011, results of a positive Preliminary Economic Assessment ("PEA") for the Deposit were announced.

During the period 2005 to 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") (now Red Mile Minerals Corp. ("Red Mile")); a private individual (the "Optionee"), and Alexandria Minerals Corporation ("Alexandria"), respectively (see Optioned Properties).

On July 21, 2011, Thundermin announced that it had obtained the right to earn a 100% interest in 404 mineral claims covering 64.6 km² of the Stirling zinc-lead-copper-silver-gold sulphide belt in the County of Richmond on Cape Breton Island, Nova Scotia. This project is an early stage exploration project that will complement the more advanced stage Little Deer project. A \$175,000 phase one exploration program on this property was completed in early November 2011 which identified a number of high priority targets which are expected to be drilled in 2012 (see Stirling Property).

Results from Operations

During the three month period ended September 30, 2011, Thundermin incurred a net loss of \$47,308 (\$0.00 per share) compared to net income of \$120,307 (\$0.00 per share) for the corresponding period in 2010. During the nine month period ended September 30, 2011, Thundermin incurred a net loss of \$224,964 (\$0.00 per share) compared to a net loss of \$112,216 (\$0.00 per share) for the corresponding period in 2010. The net loss of \$47,308 for the three month period ended September 30, 2011 was due to a loss from operations of \$72,725, mineral properties and exploration costs written off of \$1,296 and the write-down of marketable securities of \$3,150 that were partially offset by a gain on sale of marketable securities of \$29,863. The net income of \$120,307 for the three month period ended September 30, 2010 resulted from income from operations of \$50,173, a gain on sale of marketable securities of \$77,860 and mineral properties and exploration costs written off of \$7,726. The net loss of \$224,964 for the nine month period ended September 30, 2011 was due to a loss from operations of \$347,684, mineral properties and exploration costs written off of \$30,632, the write-down of marketable securities of \$3,150 that were partially offset by a gain on sale of marketable securities of \$156,502. The net loss of \$112,216 for the nine month period ended September 30, 2010 was due to a loss from operations of \$170,215 and mineral properties and exploration costs written off of \$19,861 that were partially offset by a gain on sale of marketable securities of \$77,860.

Administration expenses for the three month period ended September 30, 2011 increased to \$82,973 compared to \$63,519 for the same period in 2010. Administration expenses for the nine month period ended September 30, 2011 increased to \$331,822 from \$276,110 for the corresponding period in 2010. The increase in administration expenses for the three month period ended September 30, 2011 compared to the same period in 2010 was primarily due to an increase in filing fees paid to \$5,024 from \$2,264; an increase in general expense to \$9,183 from \$96; an increase in other professional services to \$5,450 from \$nil and an increase in capital tax to \$nil from a refund of \$14,065. These cost increases were partially offset by a decrease in consultants costs to \$6,001 from \$11,010; a decrease in shareholder information costs to \$5,086 from \$8,683 and a decrease in flow-through tax to \$nil from \$4,444. The increase in administration expenses for the nine month period ended September 30, 2011 compared to the same period in 2010 was primarily due to an increase in wages paid to \$109,391 from \$106,483; an increase in directors' fees paid to \$25,000 from \$nil; an increase in filing fees to \$26,801 from \$23,525; an increase in supplies to \$6,695 from \$4,178; an increase in general expenses to \$12,203 from \$9,162; an increase in insurance costs to \$19,202 from \$16,686; an increase in legal fees to \$7,349 from \$1,625; an increase in consultants fees to \$38,008 from \$34,019; an increase in other professional services to \$10,950 from \$nil; an increase in rent to \$26,519 from \$21,255 and an increase in capital tax to \$1,334 from a credit of \$9,801. These increased costs were partially offset by an audit fee credit of \$12,650 compared to a payment of \$6,850 and a decrease in flow-through taxes to \$426 from \$4,444.

Revenues for the three month period ending September 30, 2011 decreased to \$10,248 from \$113,692 in the corresponding period in 2010. Revenues for the nine month period ending September 30, 2011 decreased to \$11,828 from \$115,570 for the same period in 2010. The decrease in revenues for the three and nine month periods ended September 30, 2011 was due mainly to a decrease in royalty income from Pelletier Lake to \$nil from \$101,425 in the corresponding periods in 2010.

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 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.

At September 30, 2011, Thundermin had cash and cash equivalents of \$105,978 compared to \$410,666 as at December 31, 2010. The decrease in cash and cash equivalents as at September 30, 2011 compared to December 31, 2010 was due to the use of cash and cash equivalents to fund Thundermin's exploration efforts and for working capital purposes. Thundermin's cash and cash equivalents as at September 30, 2011 comprised \$5,987 in cash and \$99,991 in Bankers' Acceptances which are short-term promissory notes that are guaranteed by Canadian banks. Accounts receivable as at September 30, 2011 amounted to \$13,219 (December 31, 2010 – \$30,192) and included government GST and QST tax receivables.

Working capital as at September 30, 2011 was \$649,703 compared to \$1,251,404 as at December 31, 2010. The decrease in working capital as at September 30, 2011 compared to December 31, 2010 was primarily due to decrease in the value of Thundermin's marketable securities. Working capital as at September 30, 2011 includes the \$799,726 quoted market value of Thundermin's marketable securities. Management will continue to review its portfolio of marketable securities with the view to maximizing returns in the market when appropriate.

Subsequent to September 30, 2011, Thundermin sold 30,000 common shares of Queenston Mining Inc. ("Queenston") for cash proceeds of \$164,563.

Financing Activities

Thundermin did not participate in any financing activities during the three month period ended September 30, 2011.

On March 3, 2011, Thundermin raised \$1,007,310 by way of a non-brokered private placement to accredited investors. The private placement offering consisted of 3,847,270 units at a price of \$0.26 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 \$0.35 per share on or before September 3, 2012. Additionally, in connection with the financing, Thundermin issued 189,439 broker compensation warrants which are exercisable at \$0.26 per warrant until September 3, 2012.

Thundermin expects to raise approximately \$2,000,000 during the fourth quarter of 2011 to fund continued exploration work on its Canadian properties for the remainder of 2011 and into 2012. As a result, Thundermin is currently evaluating all avenues for raising additional funds for both exploration and general corporate purposes, including the issuance of flow-through shares and the sale of some of its marketable securities.

Summary of Quarterly Results

The following selected financial data for the last eight quarters are derived from Thundermin's financial statements. Financial data for 2009 and 2010 were prepared in accordance with Canadian generally accepted accounting principles whereas financial data for 2011 was prepared in accordance with IFRS (see Table 1 below).

Exploration

During the third quarter of 2011, Thundermin incurred exploration expenditures of \$193,470 compared to \$291,022 in the third quarter of 2010. The majority of these funds were expended on the Little Deer Copper Deposit (the "Deposit"), on the Stirling base metal property in Nova Scotia and on miscellaneous other projects, including landholding costs associated with Thundermin's portfolio of Canadian properties.

Thundermin's exploration expenditures for the first nine months of 2011 on the Deposit were approximately \$875,000, the majority of which was spent on additional diamond drilling, an updated NI 43-101 compliant mineral resource estimate and a PEA with 50% partner Cornerstone contributing a further \$875,000. Thundermin anticipates that it may spend an additional \$250,000 on the Deposit and adjoining Whalesback Copper Mine property during the fourth quarter of 2011.

An initial \$175,000 exploration program was completed in early November on the recently acquired Stirling base metal property. This program consisted of line cutting, prospecting, geological mapping and IP geophysical surveying designed to identify priority exploration targets for drill testing.

Table 1: Summary of Quarterly Results

	2011			2010				2009
	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31
	\$			\$				\$
For the Quarters Ended								
Revenues	10,248	1,028	552	243	113,692	150	1,728	275
Administration expenses	82,973	112,685	136,164	109,230	63,519	91,924	120,667	70,050
Mineral properties & exploration cost written off	1,296	15,586	13,750	7,327	7,726	4,046	8,089	910,790
Gain on sale/ transfer of mineral properties	10,000	–	–	–	12,125	–	1,500	–
Marketable securities	799,726	1,108,666	1,163,778	1,191,983	1,014,478	997,798	1,129,801	1,333,561
Gain on sale of marketable securities	29,863	69,723	56,916	53,930	77,860	–	–	–
Net (loss) income	(47,308)	(57,520)	(120,136)	62,616	120,307	(105,495)	(127,028)	(980,565)
Basic and diluted net (loss) earnings per share	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)	(0.01)
Total assets	4,669,151	4,968,165	5,512,963	4,553,974	4,088,490	3,923,249	4,260,988	4,432,067
Exploration expenditures	193,470	284,591	386,165	75,724	291,022	284,368	160,249	298,525
Working capital	649,703	1,177,976	1,556,413	1,251,404	1,200,481	1,201,930	1,660,075	2,144,523
Financing activities	–	–	1,007,310	–	–	–	–	500,000

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 had the option to acquire a 100% interest in the 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, 2011, Thundermin and Cornerstone exercised their option to acquire a 100% interest in the Deposit and adjacent property, as per the terms of the agreement with Weyburn. Thundermin will issue 5,075,188 shares to Weyburn and Cornerstone will issue 2,351,916 shares to Weyburn to complete the exercise of the option.

To September 30, 2011, Thundermin and Cornerstone have spent approximately \$7,500,000 on the Little Deer property. Exploration work included approximately 48,432 m of diamond drilling in 82 holes, borehole Pulse EM surveys, assaying of core samples, lithochemical 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, scoping level metallurgical test work on copper mineralization from the Deposit,

the completion of an updated NI 43-101 compliant mineral resource estimate for the Deposit, compilation of drill hole data from the Whalesback Copper Mine and the completion of a PEA for the Deposit.

On June 22, 2011, an updated NI 43-101 compliant mineral resource estimate was announced for the Deposit. P&E of Toronto, Ontario, Thundermin's independent resource estimate consultants, estimated that the Deposit contains Indicated Resources of 1,911,000 t at an average grade of 2.37% Cu and additional Inferred Resources of 3,748,000 t at an average grade of 2.13% Cu (see Table 2).

Table 2: Summary of Little Deer Mineral Resources (P&E, June 20, 2011)

Resource Classification/Zone	Tonnes	Cu %	Cu lbs (M)
Indicated Mineral Resources			
Little Deer Zone	1,911,000	2.37	99.8
Inferred Mineral Resources			
Little Deer Zone	1,240,000	1.93	52.8
Footwall Zone	1,711,000	2.04	77.0
Footwall Zone Splay	797,000	2.64	46.2
Total Inferred Resources	3,748,000	2.13	175.9

Notes:

- 1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- 2) The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.
- 3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- 4) Ordinary Kriging was used for Cu grade interpolation.
- 5) Grade capping of 15% Cu was utilized on composites.
- 6) A variable bulk density based on numerous field measurements was used for tonnage calculations.
- 7) A copper price of US\$3.42/lb (May 31, 2011, 24 month trailing average) and an exchange rate of US\$0.95 = C\$1.00 was utilized to derive the 1% Cu cut-off grade. Mining costs were C\$40/t, process costs were C\$15/t and G&A was C\$5/t. Concentrate freight and smelter treatment charges were C\$10/t mined. Concentrate mass pull was 7%, process recovery was 97%, smelter payable was 96% and Cu refining was US\$0.07/lb.

The updated mineral resource estimate for the Deposit is based on assay results from 48,432 m of drilling in 82 holes completed by Thundermin and Cornerstone since June 2007 and assay data from a total of 102 surface and 122 underground historical holes that were drilled by British Newfoundland Exploration Company ("BRINEX") between 1961 and 1970 and Mutapa Gold Corporation between 1998 and 2000. The historical information was recovered from the archives of the Newfoundland and Labrador Department of Natural Resources in St. John's, Newfoundland (the "archives").

On November 1, 2011, Thundermin and Cornerstone announced a positive PEA for the Deposit which was completed by P&E. Highlights of the PEA are:

Base Case Scenario on a 100% equity basis: (copper price of US\$3.75/lb and an exchange rate of US\$0.95 = C\$1.00; all dollar amounts are expressed in Canadian dollars unless otherwise stated)

- Mineral Resources: Indicated Resources of 1,911,000 t grading 2.37% Cu (99.8 million lbs of copper) and Inferred Resources of 3,748,000 t grading 2.13% Cu (175.9 million lbs of copper) and 20% mining dilution at zero grade with 90% extraction rate incorporated into the mine plan
- Mining: 1,800 t/day underground mine with ramp and shaft access using long hole stoping method
- Mine Life: 9.5 years
- Conventional milling and flotation process with 97% copper recovery to a clean 28% copper concentrate
- Initial Capital Cost: \$110 million
- Average Site Operating Cost: \$47.32 per tonne of ore mined and milled (\$1.16 per lb. of copper)
- Total Revenue: \$829 million
- Pre-tax Net Cash Flow: \$237 million: After-tax Net Cash Flow \$166 million
- Pre-tax Net Present Value at 6% Discount Rate: \$130.4 million. After-tax Net Present Value at 6% Discount Rate: \$86.7 million
- Payback of Pre-production Capital: 3.5 years
- Internal Rate of Return Pre-tax: 26.0%
- Internal Rate of Return After-tax: 21.5%

The sensitivity of the project to copper prices is shown in Table 3.

Table 3: Sensitivity of the Little Deer Copper Deposit to Copper Price

Copper Price (US\$/lb)	3.25	3.50	3.75 (Base Case)	4.00	4.25
Pre-tax IRR (%)	13.8	20.1	26.0	31.8	37.5
After-tax IRR (%)	11.1	16.3	21.5	26.6	31.7
Pre-tax NPV (\$million @ 6%)	47.6	89.0	130.4	171.8	213.1
After-tax NPV (\$million @ 6%)	27.4	57.1	86.7	116.3	146.0

The results of the PEA demonstrate the potential technical and economic viability of establishing a new, profitable copper mine on the Little Deer property.

The updated mineral resource estimate and PEA for the Deposit was prepared under the supervision of Mr. Eugene J. Puritch, P. Eng., President of P&E. Mr. Puritch is an independent Q.P. in accordance with NI 43-101 and has reviewed and approved the contents of this quarterly report. 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. Mr. Hussey has reviewed the contents of this quarterly report for accuracy as it pertains to the Little Deer project.

On October 20, 2011, Thundermin and Cornerstone announced that they had identified encouraging new tonnage potential on the adjoining, 100%-owned, past-producing Whalesback Copper Mine. Diamond drill logs and assay data for 60 surface and 242 underground holes from the Whalesback Copper Mine were recovered from the archives. Drill hole data for 107 holes drilled in the mineralized zone below and to the west of the areas mined by BRINEX suggest that there is an excellent potential to outline additional copper resources on the Whalesback property below and to the west of the areas mined by BRINEX between 1965 and 1972 (see Table 3).

Table 4: Significant Intersections Whalesback Copper Mine

Hole No.	From (m)	To (m) (m)	Width (m)*	Cu (%)
9-43	--	--	6.10	4.50
9-43	--	--	3.35	4.01
8-28	119.79	125.27	5.48	3.23
9-90	39.93	44.2	4.27	2.96
9-88	36.58	44.96	8.38	2.88
9-47	160.02	166.12	6.10	2.90
9-85	41.15	45.70	4.57	2.55
9-52	73.15	80.01	5.33	2.51
9-78	51.82	60.96	9.14	2.44
WB-61-45	201.47	207.26	5.79	2.23
WB-65-99	65.53	68.58	3.05	2.25
9-38	21.03	24.38	3.35	2.29
9-92	27.43	35.97	8.54	2.20
9-79	68.58	81.69	13.11	2.13
11-3	67.36	75.90	8.54	1.99

Notes:

*Widths approach true thickness

-- Data taken from historical longitudinal section and no drill log available

Stirling Base Metal Property

On July 21, 2011, Thundermin announced that it had earned the right from two vendors (the "Vendors") to acquire a 100% interest in eight Exploration Licences (the "Stirling Property") covering a large portion of the Stirling volcanogenic massive zinc-lead-copper-silver-gold sulphide belt located in the County of Richmond on Cape Breton Island, Nova Scotia.

The Stirling Property consists of 404 claims (64.6 km²) covering favourable volcanic stratigraphy belonging to the Stirling Group that trends south-southwest from the past-producing Mindamar Mine. The Mindamar Mine, which was mined in the 1930's and in the 1950's, consisted of numerous massive sulphide lenses which contained over 1,000,000 tonnes of ore grading 6.3% Zn, 1.5% Pb, 0.8% Cu, 74.0 g/t Ag and 1.1 g/t Au. Thundermin believes that there is an excellent possibility of making additional precious metal rich, polymetallic base metal discoveries on the Stirling Property by using deeper penetrating geophysical techniques that have not been employed previously to define new drill targets.

Under the terms of the Stirling agreement, Thundermin has the right to earn a 100% interest in the Stirling Property by spending \$1,000,000 on exploration and by making cash payments of \$70,000 and issuing 300,000 Thundermin shares to the Vendors over four years. The first year commitments are a minimum of \$150,000 of exploration expenditures and the payment of \$15,000 cash and the issuance of 100,000 Thundermin shares to the Vendors upon the signing of the Stirling Agreement. All remaining exploration expenditures, cash payments and share issuances beyond the first year are at Thundermin's option, subject to a minimum exploration expenditure of \$100,000 per year if Thundermin elects to continue the option. If Thundermin acquires a 100% interest in the Stirling Property, the Vendors will be entitled to receive a 2.0% net smelter returns royalty, 50% of which may be purchased from the Vendors by Thundermin at any time for \$1,000,000. If Thundermin acquires a 100% interest in the Stirling Property but fails to reach commercial production by May 17, 2019, then Thundermin will be required to pay the Vendors a recoupable advance royalty in the amount of \$25,000 per year until commercial production is reached (see Thundermin's news releases dated June 23 and July 21, 2011 for additional details on the terms of the Stirling Agreement and the Stirling Property).

An initial \$175,000 exploration program was completed in early November on the Stirling base metal property. This program consisted of line cutting, prospecting, geological mapping and IP geophysical surveying over key target areas. A number of high priority drill targets have been identified to date. Additional exploration, including diamond drilling, will be undertaken on the Stirling property in 2012.

Optioned Properties

On September 1, 2005, Thundermin granted to Alexis an option (the "Option") to acquire a 100% interest in Thundermin's **Pelletier Lake** gold property which is located in Rouyn-Noranda, Quebec (the "Agreement"). Under the terms of the Agreement, as amended, Alexis had until August 31, 2010 to exercise the Option and make a production commitment on the property, failing which the property would revert to Thundermin. 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.

On June 28, 2010, Alexis released a positive feasibility study for Pelletier Lake. The study confirmed the profitability of Pelletier Lake and suggested that the project had long term potential through additional exploration.

Measured and Indicated Resources at Pelletier Lake were estimated by Alexis to be 279,442 t grading 8.61 g/t Au (77,372 oz Au) at a cut-off grade of 5.5 g/t Au. Inferred Resources were estimated to be 419,514 t grading 8.37 g/t Au (112,899 oz Au) at a cut-off grade of 5.5 g/t Au. This resource estimate was prepared by Mr. Martin Peron, Eng., Superintendent of Geology, Pelletier Lake for Alexis and a Q.P. as defined under NI 43-101.

On September 8, 2010, Thundermin received a cash payment of \$101,425 from Alexis with respect to Thundermin's 2.5% NSR royalty on 3,443 ounces of gold produced from an approximately 25,000 t bulk sample which was mined from the Pelletier Lake gold deposit during Q4-2009, Q1-2010 and Q2-2010.

On August 31, 2010, Thundermin received a letter from Alexis (the "Notice") advising Thundermin that Alexis was exercising its Option to acquire the Pelletier Lake property by making a Production Commitment to Thundermin to place the Deposit into Commercial Production. At a meeting between the parties held on September 9, 2010 and confirmed by letter dated September 13, 2010, Thundermin advised Alexis that it was not prepared to accept the Alexis Notice as a valid Notice under the Agreement. As reported in Thundermin's MD&A for Q3-2010, an agreement in principle to grant Alexis an extension until December 31, 2011 to exercise its Option was reached between the parties on November 8, 2010. Subsequent discussions between the parties, however, failed to resolve certain significant differences and, therefore, as per the provisions in the Agreement, Thundermin notified Alexis on December 6, 2010 that it intends to arbitrate the dispute with the aim of regaining full ownership of the Pelletier Lake gold property. The arbitration process has now been initiated.

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 June 15, 2011, Cogitore announced an updated NI 43-101 compliant mineral resource estimate for the Scott Lake property of 5.3 million t grading 1.1% Cu, 4.7% Zn, 0.3 g/t Au and 35.0 g/t Ag using an \$80.00 per t NSR cut-off grade. Diamond drilling is continuing on the property with the aim of expanding the current resources during 2011.

Share Capital

As at September 30, 2011, Thundermin had 77,404,131 shares outstanding, which is an increase of 3,974,270 shares compared to December 31, 2010. A total 3,874,270 shares were issued for total proceeds of \$1,007,310 pursuant to a non-brokered, flow-through private placement completed on March 3, 2011. An additional 100,000 shares were issued on August 25, 2011 in connection with the acquisition of the Stirling base metal property. As at September 30, 2011, Thundermin had 2,126,565 warrants outstanding. In addition, as at September 30, 2011, Thundermin had 3,070,000 stock options outstanding. The exercise of all outstanding warrants and options would add another 5,196,565 shares to Thundermin's issued capital and add approximately \$1,054,275 to Thundermin's working capital.

Marketable Securities

As at September 30, 2011, Thundermin owned 112,700 shares of Queenston. Thundermin also owned 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; 200,000 shares of Niogold, which is exploring for gold west of Val d'Or, Quebec; 120,100 shares of Apella Resources Inc. (formerly Novawest Resources Inc. ("Novawest")), 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; 75,000 shares of Red Mile, which is exploring for gold on Thundermin's Blue Quartz property in Ontario and in the Baie Verte area of Newfoundland; 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.; 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 September 30, 2011 was \$799,726 compared to \$1,191,983 as at December 31, 2010.

Contractual Obligations

On July 12, 2011, Thundermin and Cornerstone exercised their option to acquire a 100% interest in the Deposit and adjacent property, as per the terms of the Agreement with Weyburn. Thundermin will issue 5,075,188 shares to Weyburn and Cornerstone will issue 2,351,916 shares to Weyburn to complete the option.

Pursuant to flow-through share agreements signed on March 3, 2011, Thundermin is required to spend a minimum of \$1,007,310 on qualifying Canadian Exploration Expenditures during 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 per year. 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. Mr. Suttie has been granted a 5-year option to purchase 50,000 shares of Thundermin at \$0.16 per share and 75,000 shares of Thundermin at 0.145 per share.

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. Such employment agreement was amended on March 28, 2011 to increase Mr. Heslop's salary to \$200,000 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 September 30, 2011, 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 since 2007 have been focused on its Little Deer project in Newfoundland where a significant tonnage of mineralization grading in excess of 2.0% copper has been outlined to date. Management is also continuing to evaluate potential transactions or business combinations that are considered to be of long term strategic value.

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 September 30, 2011, 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 September 30, 2011, Thundermin had a cash and cash equivalents balance of \$105,978 (December 31, 2010 – \$410,666) to settle current liabilities of \$269,220 (December 31, 2010 – \$381,437). In addition, as at September 30, 2011, the quoted value of Thundermin's marketable securities was \$799,726 (December 31, 2010 – \$1,191,983).

(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 \$79,972.

Fair Value Hierarchy and Liquidity Risk Disclosure

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
Cash and cash equivalents	\$ 105,978	\$ -	\$ -
Marketable securities	\$ 799,726	\$ -	\$ -

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 transition to IFRS did not materially impact on Thundermin's disclosure controls and procedures.

Thundermin 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, 2010. There was no change in Thundermin's ICFR that occurred during the period beginning on January 1, 2011 and ended on June 30, 2011, that has materially effected, or is reasonably likely to materially affect, Thundermin's ICFR.

Transition to IFRS

Overview

Thundermin has adopted IFRS, effective for interim and annual financial statements relating to its fiscal year ended December 31, 2011. These are Thundermin's first nine month condensed financial statements that have been prepared in accordance with IAS 34 using accounting policies consistent with IFRS.

The accounting policies have been selected to be consistent with IFRS as is expected to be effective on December 31, 2011, Thundermin's first annual IFRS reporting date. Previously, the Company prepared its interim and annual financial statements in accordance with Canadian GAAP.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these condensed financial statements will be finalized only when the first annual IFRS financial statements are prepared for the year ending December 31, 2011.

First-time Adoption of IFRS

The adoption of IFRS requires the application of 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 an entity's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

Thundermin has elected to apply the following optional exemptions in its preparation of its opening IFRS balance sheet 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 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 not reassess whether arrangements contain a lease under IFRS where the same determination that would be made under IFRIC 4 Determining whether an Arrangement Contains a Lease (IFRIC 4) was made previously in accordance with Canadian GAAP.
- To apply the transitional provisions of IFRIC 4 to leases which the same determination as IFRIC 4 was not made previously in accordance with Canadian GAAP. Therefore, the determination of whether these arrangements contain a lease is based on the circumstances existing at the Transition Date.
- 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.

IFRS 1 does not permit changes to estimates that have been made previously. Estimates used in the preparation of Thundermin's opening IFRS statement of financial position, and other comparative information restated to comply with IFRS, are consistent with those made previously under current Canadian GAAP.

Changes to Accounting Policies

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. Accounting policies have been changed to be consistent with IFRS as is expected to be effective on December 31, 2011.

For Future Changes in Accounting Policies, please refer to Note 4 in the Financial Statements.

The following summarizes the significant changes to Thundermin's accounting policies on adoption of IFRS, and the effect on Thundermin's opening IFRS balance sheet.

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. The changes in accounting policies related to Exploration and Evaluation Expenditures did not have a significant impact on Thundermin's financial statements.

Impairment of Non-Financial Assets

IFRS requires a write-down of assets if the recoverable amount is less than its carrying value. The recoverable amount is defined as the higher of the fair value less costs to sell and the value-in-use. Value-in-use is determined using discounted estimated future cash flows. Under Canadian GAAP, a write-down to estimated fair value was required only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

IFRS also requires the reversal of any previous impairment losses, with the exception of goodwill, where circumstances have changed such that the level of impairment in the value of the assets has been reduced. Canadian GAAP prohibits the reversal of impairment losses. Thundermin has changed its accounting policies related to impairment of assets to be consistent with the requirements under IFRS. The changes in accounting policies related to impairment did not have a significant impact on Thundermin's financial statements.

Flow-Through Shares

Thundermin has chosen to adopt the following accounting policy for flow-through shares following the guidance from IAS 8 Para. 10-12 and considering the requirements and principles of *IAS 12 Income Taxes*. At the time of closing a financing involving flow-through shares, Thundermin allocates the gross proceeds received as follows:

- (i) *Other liabilities* – The flow-through share premium is recorded as other liabilities and equal to the estimated premium, if any, investors pay for the flow-through feature; and
- (ii) *Contributed surplus* – If warrants are issued, warrants are allocated to contributed surplus based on the valuation derived using the Black-Scholes option-pricing model; and
- (iii) *Share capital* – the residual balance is allocated to share capital.

At the end of each reporting period, Thundermin reviews its tax position and records an adjustment to its deferred tax expense and liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, Thundermin considers the tax benefits of qualifying resource expenditures already incurred to have been effectively transferred, if it has formally renounced those expenditures at any time before or after the end of the reporting period. Additionally, Thundermin reverses the liability for the flow-through share premium to income, on a proportionate basis, as an offset to deferred tax expense. To the extent that Thundermin has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, Thundermin may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

Under Canadian GAAP, 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.

The Thundermin's accounting policies were changed to reflect this difference, resulting in an increase in other liabilities of \$55,556, an increase in share capital of \$693,792 and an increase in deficit of \$749,348 at January 1, 2010.

Reconciliation of Canadian GAAP to IFRS

The following provides reconciliations of the shareholders' equity and the comprehensive loss from Canadian GAAP to IFRS for the respective periods. The adoption of IFRS did not have a material impact on the condensed statement of cash flows.

	December 31, 2010	September 30, 2010	January 1, 2010
Shareholders' equity under Canadian GAAP	\$ 4,172,537	\$ 4,053,218	\$ 4,281,482
Estimated premium paid by investors for the flow-through feature	-	(55,556)	(55,556)
Shareholders' equity under IFRS	\$ 4,172,537	\$ 3,997,662	\$ 4,225,926

For the Nine Months Ended September 30,	2011	2010
Comprehensive loss under Canadian GAAP	\$ (606,071)	\$ (387,939)
Comprehensive loss under IFRS	\$ (606,071)	\$ (387,939)

	December 31, 2009 (Canadian GAAP)	Transition Adjustments	January 1, 2010 (IFRS)
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	787,439	-	787,439
Accounts receivable	174,108	-	174,108
Marketable securities	1,333,561	-	1,333,561
	2,295,108	-	2,295,108
Mineral properties and exploration costs	2,136,959	-	2,136,959
	4,432,067	-	4,432,067
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	150,585	-	150,585
Other liabilities	-	55,556	55,556
	150,585	55,556	206,141
Shareholders' equity			
Share capital	14,269,296	693,792	14,963,088
Contributed surplus	879,634	-	879,634
Accumulated other comprehensive income	709,717	-	709,717
Deficit	(11,577,165)	(749,348)	(12,326,513)
	4,281,482	(55,556)	4,225,926
	4,432,067		4,432,067

Outlook

Thundermin's primary exploration focus during the remainder of 2011 will continue to be on its Little Deer Copper Deposit and surrounding exploration lands. Exploration work completed to date on the property has been successful in increasing the NI 43-101 compliant Indicated plus Inferred Mineral Resource Estimate to over five million tonnes containing over 2.0% copper. The results of the PEA recently completed by P&E demonstrate the potential technical and economic viability of establishing a new, profitable copper mine on the Little Deer property. Compilation work carried out in the third quarter of 2011 on the past-producing Whalesback Copper Mine property indicates that there is excellent potential to outline significant copper resources beneath and to the west of the old mine workings. It is anticipated, subject to raising additional financing, that a drilling program will commence in the last quarter of 2011 to evaluate the potential to expand the resources on the Whalesback Copper Mine property. In addition, a major drilling program is expected to commence on the Deposit in January 2012. The purpose of this program will be to upgrade the Inferred Resources to the Indicated Resource category. This drilling, which is required in order to undertake a feasibility study

on the Deposit, 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.

Thundermin anticipates that additional exploration, including the diamond drilling of IP targets outlined in the fall of 2011, will be undertaken on the Stirling base metal property during 2012. Thundermin also expects to undertake an initial diamond drilling program on its 100% owned Lebel gold property which is located on the Kirkland Lake Main Break approximately 1 km east of the Kirkland Lake City Center. The Lebel property is ideally located between the past-producing Toburn Gold Mine, with historical production of 570,000 ounces of gold and 135,000 ounces of silver from approximately 1,078,500 t of ore, directly to the west and the past-producing Glenora Gold Mine directly to the northeast.

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.

THUNDERMIN RESOURCES INC. – CONDENSED FINANCIAL STATEMENTS

CONDENSED BALANCE SHEETS

(Expressed in Canadian Dollars)

(Unaudited)

	September 30, 2011	December 31, 2010	January 1, 2010
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents (note 2)	105,978	410,666	787,439
Accounts receivable	13,219	30,192	174,108
Marketable securities (note 5)	799,726	1,191,983	1,333,561
	918,923	1,632,841	2,295,108
Mineral properties and exploration costs (note 6)	3,750,228	2,921,133	2,136,959
	4,669,151	4,553,974	4,432,067
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	114,249	381,437	150,585
Other liabilities (note 15)	154,971	–	55,556
	269,220	381,437	206,141
Shareholders' equity			
Share capital (note 8(b))	15,824,068	15,138,853	14,963,088
Contributed surplus (note 8(d))	1,011,793	863,542	879,634
Accumulated other comprehensive income	234,591	615,699	709,717
Deficit	(12,670,521)	(12,445,557)	(12,326,513)
	4,399,931	4,172,537	4,225,926
	4,669,151	4,553,974	4,432,067

CONDENSED STATEMENTS OF OPERATIONS

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revenues				
Interest income	248	142	1,828	520
Gain on disposal of mineral rights	10,000	12,125	10,000	13,625
Royalty income (note 6)	–	101,425	–	101,425
	10,248	113,692	11,828	115,570
Expenses				
Administration	82,973	63,519	331,822	276,110
Stock-based compensation expense (note 9)	–	–	27,690	9,675
	82,973	63,519	359,512	285,785
(Loss) gain from operations	(72,725)	50,173	(347,684)	(170,215)
Gain on sale of marketable securities (note 5)	29,863	77,860	156,502	77,860
Mineral properties and exploration costs written off (note 6)	(1,296)	(7,726)	(30,632)	(19,861)
Write-down of marketable securities (note 5)	(3,150)	–	(3,150)	–
(Loss) gain before provision for income taxes	(47,308)	120,307	(224,964)	(112,216)
Net (loss) gain for the period	(47,308)	120,307	(224,964)	(112,216)
Basic and diluted (loss) gain per share (note 11)	(0.00)	0.00	(0.00)	0.00

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

CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Net loss for the period	(47,308)	120,307	(224,964)	(112,216)
Unrealized gain on marketable securities for the period	(332,490)	210,685	(296,207)	(126,578)
Reclassification adjustment for gains included in net income for the period	28,300	(149,145)	(84,900)	(149,145)
Comprehensive loss for the period	(351,498)	181,847	(606,071)	(387,939)

CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Share Capital				
Balance, beginning of period	15,813,168	15,038,855	15,138,853	14,963,088
Flow-through private placement, net of cost of issue	-	-	949,847	-
Allocation to warrants	-	-	(120,561)	-
Flow-through share premium	-	-	(154,971)	-
Agent option exercised	-	-	-	75,767
Issued on settlement of property option obligation	10,900	100,000	10,900	100,000
Balance, end of period	15,824,068	15,138,855	15,824,068	15,138,855
Contributed Surplus				
Balance, beginning of period	1,011,793	863,542	863,542	879,634
Fair value of warrants issued	-	-	120,561	-
Agent option exercised	-	-	-	(25,767)
Fair value of options issued	-	-	27,690	9,675
Balance, end of period	1,011,793	863,542	1,011,793	863,542
Accumulated Other Comprehensive Income (Loss)				
Balance, beginning of period	538,782	372,454	615,699	709,717
Unrealized gain (loss) on marketable securities for the period	(332,490)	210,685	(296,207)	(126,578)
Reclassification adjustment for gains included in net loss	28,299	(149,145)	(84,901)	(149,145)
Balance, end of period	234,591	433,994	234,591	433,994
Deficit				
Balance, beginning of period	(12,623,213)	(12,559,036)	(12,445,557)	(12,326,513)
Net income for the period	(47,308)	120,307	(224,964)	(112,216)
Balance, end of period	(12,670,521)	(12,438,729)	(12,670,521)	(12,438,729)
Total Shareholders' Equity, end of period	4,399,931	3,997,662	4,399,931	3,997,662

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

CONDENSED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(47,308)	120,307	(224,964)	(112,216)
Items not affecting cash used in operating activities:				
Stock-based compensation expense (note 9)	–	–	27,690	9,675
Mineral properties and exploration costs written off	1,296	7,726	30,632	19,861
Gain on sale of marketable securities	(29,863)	(77,860)	(156,502)	(77,860)
Gain on disposal of mineral rights	–	(2,125)	–	(3,625)
Write-down of marketable securities (note 5)	(3,150)	–	(3,150)	–
	(79,025)	48,048	(326,294)	(164,165)
Changes in non-cash working capital:				
Accounts receivable	(33,203)	256,844	(16,973)	156,017
Accounts payable	41,585	(116,606)	(267,188)	(115,313)
	(70,643)	188,286	(610,455)	(123,461)
Investing and exploration activities				
Mineral properties and exploration costs	(116,324)	(522,091)	(1,367,041)	(1,448,953)
Contributions from joint venturers	10,959	331,069	508,459	713,314
Government grants	–	–	50,000	100,000
Cash proceeds on sale of marketable securities	31,463	124,845	164,502	124,845
	(73,902)	(66,177)	(644,080)	(510,794)
Financing activities				
Cash proceeds on the issue of common shares	–	–	949,847	50,000
Change in cash and cash equivalents	(144,545)	122,109	(304,688)	(584,255)
Cash and cash equivalents, beginning of period	250,523	81,075	410,666	787,439
Cash and cash equivalents, end of period	105,978	203,184	105,978	203,184
Cash and cash equivalents is represented by:				
Cash	5,987	103,240	5,987	103,240
Short-term deposits	99,991	99,944	99,991	99,944
	105,978	203,184	105,978	203,184

Supplemental Cash Flow Information (note 11)

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

NOTES TO CONDENSED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

For the Three and Nine Months Ended September 30, 2011 (Unaudited)

1. Corporate Information and Going Concern

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.

Thundermin is incorporated under the laws of Ontario, Canada and the principal place of business is located at 201-133 Richmond Street West, Toronto, Ontario Canada M5H 2L3.

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 condensed 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. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. 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 condensed 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

Statement of Compliance

These condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS"). These are Thundermin's first condensed financial statements prepared in accordance with IAS 34 using accounting policies consistent with IFRS. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on December 31, 2011, Thundermin's first annual IFRS reporting date. Previously, Thundermin prepared its interim and annual financial statements in accordance with Canadian GAAP.

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies set out below have been applied consistently to all periods presented. They also have been applied in the preparation of an opening IFRS statement of financial position as at January 1, 2010, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"). The impact of the transition from Canadian GAAP to IFRS is explained in note 15.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these condensed financial statements will be finalized only when the first annual IFRS financial statements are prepared for the year ending December 31, 2011.

Basis of Presentation

These condensed financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss and available-for-sale which are measured at fair value.

Cash and Cash Equivalents

Thundermin considers cash and cash equivalents to be highly liquid financial instruments with original maturity of three months or less. At September 30, 2011, cash and cash equivalents consisted of short-term deposits in the form of bankers acceptances. Thundermin has placed a \$100,000 (December 31, 2010 – \$100,000) term deposit with a bank as security for a \$100,000 line of credit. As at September 30, 2011 and 2010 the line of credit was not utilized.

Financial Instruments

Thundermin recognizes financial assets and financial liabilities when Thundermin becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred.

Measurement in subsequent periods depends on the classification of the financial instrument:

(i) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statements of operations.

Thundermin's financial assets classified as FVTPL include cash and cash equivalents. Thundermin does not currently hold any derivative instruments.

(ii) Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are either designated as such by management or not classified in any of the other categories. Available-for-sale financial assets are measured at fair value with changes recognized in other comprehensive income. Upon sale or impairment, the accumulated fair value adjustments recognized in other comprehensive income are recorded in the statements of operations.

Investments in marketable securities are classified as an available-for-sale securities.

2. Significant Accounting Policies (continued)

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method. Accounts receivable are classified as loans and receivables.

(iv) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as FVTPL. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Accounts payable and accrued liabilities and other liabilities are classified as other financial liabilities.

The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument to the net carrying amount on initial recognition.

Mineral Properties Under Exploration

Acquired mineral properties are recognized at cost, or if acquired as part of a business combination, at fair value at the date of acquisition. All costs directly related to exploration activities are capitalized once Thundermin has obtained the legal right to explore. Mineral properties under exploration are reclassified when technical feasibility and commercial viability of the property can be demonstrated.

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.

Impairment of Long-Lived Assets

At each balance sheet reporting date the carrying amounts of Thundermin's assets, including mineral properties under exploration, are reviewed to determine whether there is an indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations.

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 technical and commercial feasibility is established and the parties enter into formal comprehensive agreements for ownership and operational participation.

Decommissioning Liabilities

Thundermin is required to recognize a liability when an obligation exists to dismantle, remove or restore its assets, including any obligation to rehabilitate environmental damage on its mineral properties. As of September 30, 2011 and December 31, 2010, Thundermin has not incurred any such obligations.

Share Issue Costs

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

Income Taxes

Income taxes are determined using the liability method. Under this method, deferred tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred income tax assets are recognized to the extent that realization is considered probable.

Flow-Through Shares

Thundermin has financed most 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. At the time of closing a financing involving flow-through shares, Thundermin allocates the gross proceeds received as follows:

- (i) *Other liabilities* – the flow-through share premium is recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature; and
- (ii) *Contributed surplus* – if warrants are issued, the fair value of the warrants is allocated to contributed surplus; and
- (iii) *Share capital* – the residual balance is allocated to share capital.

2. Significant Accounting Policies *(continued)*

At the end of each reporting period, Thundermin reviews its tax position and records an adjustment to its deferred tax expense and liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, Thundermin considers the tax benefits of qualifying resource expenditures already incurred to have been effectively transferred, if it has formally renounced those expenditures at any time before or after the end of the reporting period. Additionally, Thundermin reverses the liability for the flow-through share premium to income, on a proportionate basis, as an offset to deferred tax expense.

To the extent that Thundermin has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, Thundermin may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

The Company's outstanding flow-through commitment is disclosed in note 14.

Earnings (Loss) Per Share

Loss per share is computed by dividing the loss for the period by the weighted-average number of common shares outstanding during the period. Diluted loss per share is calculated in a similar manner, except that the weighted-average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. The number of additional shares included in the calculation is based on the treasury stock method for options and warrants. Stock options and warrants have not been included in the calculation of diluted loss per share as they are anti-dilutive for the three and nine months ended September 30, 2011 and 2010.

Stock-Based Compensation

Stock options granted are settled with shares of Thundermin. The expense is determined based on the fair value of the award granted and recognized over the period which services are received, which is usually the vesting period. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. At the end of each reporting period, Thundermin reassesses its estimates of the number of awards that are expected to vest and recognizes the impact of the revisions in the statement of operations.

3. Critical Accounting Estimates and Judgments

The preparation of the condensed interim financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. The preparation of the condensed interim financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical Accounting Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(i) Impairment of non-financial assets

When there are indications that an asset may be impaired, Thundermin is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value-in-use and fair value less costs to sell. Determining the value-in-use requires Thundermin to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the three and nine months ended September 30, 2011 (December 31, 2010 – \$nil).

(ii) Stock-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations. For the three and nine months ended September 30, 2011 Thundermin recognized approximately \$nil and \$27,690 of stock-based compensation expense, respectively (three and nine months ended September 30, 2010 – \$9,675 and \$9,675, respectively).

Critical Judgments Used in Applying Accounting Policies

In the preparation of these financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

(i) Mineral properties under exploration

Management is required to apply judgment in determining whether technical feasibility and commercial viability can be demonstrated for the mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from mineral properties under exploration and subject to different accounting treatment. As at September 30, 2011 and December 31, 2010 management had determined that no reclassification of mineral properties was required.

(ii) Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

4. Future Changes in Accounting Policies

Recently issued but not adopted accounting guidance includes, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities and IFRS 13 Fair Value Measurement.

IFRS 9 Financial Instruments replaces the guidance in IAS 39 Financial Instruments Recognition and Measurement on the classification and measurement of financial assets. Financial assets will be classified into one of two categories on initial recognition: financial assets measured at amortized cost or financial assets measured at fair value. IFRS 9 also adds guidance on the classification and measurement of financial liabilities. Under IFRS 9 financial liabilities measured at fair value under the fair value option and changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income ("OCI"), with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date. IFRS 9 also requires derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument to be measured at fair value. This new standard is applicable, for accounting periods beginning January 1, 2013. Thundermin is assessing the impact of IFRS 9 on its results of operations and financial position and will adopt IFRS 9 in its financial statements effective from January 1, 2013.

IFRS 10 Consolidated Financial Statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. IFRS 10 replaces SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements. Thundermin does not expect IFRS 10 to have a material impact on the financial statements.

IFRS 11 Joint Arrangements: IFRS 11 provides for reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. Under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. This new standard is applicable for accounting periods beginning January 1, 2013. Thundermin is assessing the impact of IFRS 11 on its results of operations and financial position and will adopt IFRS 11 in its financial statements effective from January 1, 2013.

IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The required disclosures aim to provide information in order to enable users to evaluate the nature of, and the risks associated with, an entity's interest in other entities, and the effects of those interests on the entity's financial position, financial performance and cash flows. Thundermin is assessing the impact of IFRS 12 on its financial statements and will adopt IFRS 9 in its financial statements effective from January 1, 2013.

IFRS 13 Fair Value Measurement replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income. Thundermin intends to adopt IFRS 13 in its financial statements for the annual period beginning on January 1, 2013. Thundermin does not expect IFRS 13 to have a material impact on the financial statements.

5. Marketable Securities

At September 30, 2011, Thundermin owned 112,700 (December 31, 2010 – 137,700) common shares of Queenston. The quoted market value of these shares at September 30, 2011 was \$540,960 (December 31, 2010 – \$823,446).

At September 30, 2011, Thundermin also owned 367,155 (December 31, 2010 – 367,155) shares of KWG Resources Inc.; 32,000 (December 31, 2010 – 32,000) shares of Lounor Exploration Inc.; 120,100 (December 31, 2010 – 120,100) shares of Apella Resources Inc. (formerly Novawest Resources Inc.); 43,300 (December 31, 2010 – 43,300) shares of Cascadia International Resources Inc.; 300,000 (December 31, 2010 – 300,000) shares of Cogitore Resources Inc.; 200,000 (December 31, 2010 – 200,000) shares of Niogold Minerals Corporation; 1,528 (December 31, 2010 – 1,528) shares of Opawica Explorations Inc.; 250,000 (December 31, 2010 – 250,000) shares of Mountain Boy Minerals Ltd.; 24,020 (December 31, 2010 – 24,020) shares of Pro Minerals Inc.; 10,666 (December 31, 2010 – 66,666) shares of Premier Gold Mines, formerly Goldstone Resources Inc.; 75,000 (December 31, 2010 – 75,000) shares of Red Mile Minerals Inc., nil (December 31, 2010 – 75,000) warrants of Alexandria Minerals Corporation ("Alexandria") (75,000 warrants expired on July 29, 2011) and 75,000 shares (December 31, 2010 – 75,000) shares of Alexandria. The quoted market value of these shares at September 30, 2011 was \$258,766 (December 31, 2010 – \$368,536).

6. Mineral Properties and Exploration Costs

	Balance January 1, 2011	Additions	Sales Grants or Recoveries	Write-offs	Balance September 30, 2011
Little Deer	\$ 2,849,917	\$ 1,277,078	\$ (547,800)	\$ –	\$ 3,579,195
Pelletier Lake	71,216	26,859	–	–	98,075
Linda, McKayseff and Rod	–	9,236	–	(9,236)	–
Stirling	–	72,958	–	–	72,958
Others	–	23,895	–	(23,895)	–
	\$ 2,921,133	\$ 1,410,026	\$ (547,800)	\$ (33,131)	\$ 3,750,228

6. Mineral Properties and Exploration Costs (continued)

	Balance January 1, 2010	Additions	Sales Grants or Recoveries	Write-offs	Balance December 31, 2010
Little Deer	\$ 2,088,360	\$ 1,563,490	\$ (801,933)	\$ –	\$ 2,849,917
Pelletier Lake	48,599	22,617	–	–	71,216
Linda, McKayseff and Rod	–	5,828	–	(5,828)	–
Others	–	21,360	–	(21,360)	–
	\$ 2,136,959	\$ 1,613,295	\$ (801,933)	\$ (27,188)	\$ 2,921,133

(i) Little Deer

On June 20, 2007, Thundermin and 50% joint venture partner, Cornerstone Capital Inc. (“Cornerstone”), signed a formal agreement (the “Agreement”) with Weyburn Investments Ltd. (“Weyburn”) under which Thundermin and Cornerstone had an option to acquire a 100% interest in Weyburn’s Little Deer Copper Deposit and adjacent property (“Weyburn Property”) which is located 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 were 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. Thundermin elected to issue 840,336 shares, at a price of \$0.119 per share, and Cornerstone elected to issue 684,932 shares, at a price of \$0.146 per share. These payments maintained the option on the Deposit in good standing until July 12, 2011. In order to acquire a 100% interest in the property, Thundermin and Cornerstone were required to pay Weyburn a total of \$1,500,000 (\$750,000 each in cash and/or shares at each company’s election) on or before July 12, 2011. On July 12, 2011, Thundermin and Cornerstone exercised their option to earn a 100% interest in the Weyburn Property. Thundermin will issue 5,075,188 shares to Weyburn, and Cornerstone will issue 2,351,916 shares to Weyburn.

(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. 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. On August 1, 2009, Thundermin agreed to further extend the time for Alexis to make a production decision until September 1, 2010 provided Alexis makes 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. On September 8, 2010, Thundermin received a cash payment of \$101,425 from Alexis in consideration of Thundermin’s 2.5% NSR royalty on gold produced from the bulk sample. On August 31, 2010, Thundermin received a letter from Alexis advising Thundermin that Alexis was exercising its option to acquire the Pelletier Lake property by making a production commitment to Thundermin to place the deposit into commercial production. Thundermin, however, does not believe that Alexis is following the provisions of the Agreement with regard to placing the deposit into commercial production. Therefore, Thundermin notified Alexis on December 6, 2010 that it intends to arbitrate the dispute with the aim of regaining full ownership of the Pelletier Lake gold property. The arbitration process has now been initiated.

(iii) Linda, McKayseff and Rod

Teck Resources Limited (“Teck”) 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’s back-in right is reduced to 14%. In 2009 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 Resources Inc. (“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. Thundermin received a \$10,000 (2009 – \$10,000) cash payment from Russet Lake as per the terms of the original agreement. 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. Red Mile has met all of its commitments under the agreement and has earned its interest in the property. Thundermin retains a 0.5% NSR in the property, 0.25% of which can be purchased from Thundermin at any time by Red Mile for \$250,000.

6. Mineral Properties and Exploration Costs (continued)

(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 Roxmark 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 date of the agreement and complete \$75,000 in exploration on the property on or before the third anniversary of the agreement. The Optionee has not fulfilled the commitments under the agreement and discussions concerning an extension of time to do so are on-going. 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 fiscal 2009 proceeds on sale/transfer of mineral rights is \$25,000 consisting of cash received by Thundermin from the Optionee, net of costs incurred by Thundermin on the properties.

(vi) *Stirling*

On July 21, 2011, the Company executed a formal agreement (the "Agreement") with two vendors (the "Vendors") giving the Company the right to acquire a 100% interest in eight Exploration Licences (404 claims over 64.6 km²) (the "Stirling Property") which cover a large portion of the Stirling volcanogenic massive zinc lead copper silver gold sulphide belt located on Cape Breton Island, Nova Scotia. The Company has the right to earn a 100% interest in the Stirling Property by spending \$1,000,000 on exploration and by making cash payments of \$70,000 and issuing 300,000 shares to the Vendors over four years. The first year commitments are a minimum of \$150,000 in exploration expenditures and the payment of \$15,000 cash (paid) and the issuance of 100,000 shares (issued, with an ascribed fair value of \$10,900) to the Vendors upon the signing of a formal agreement (the "Agreement"). All remaining exploration expenditures, cash payments and share issuances beyond the first year are at the Company's option, subject to a minimum exploration expenditure of \$100,000 per year if the Company elects to continue the option. If the Company acquires a 100% interest in the Stirling Property, the Vendors will be entitled to receive a 2.0% net smelter returns royalty, of which 1.0% may be purchased from the Vendors by the Company at any time for \$1,000,000. If the Company acquires a 100% interest in the Stirling Property but fails to reach commercial production by May 17, 2019, then the Company will be required to pay the Vendors a recoupable advance royalty in the amount of \$25,000 per year until commercial production is reached.

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	Consideration
Balance, as at January 1, 2010	71,964,525	\$ 14,963,088
Issued on settlement of property option obligation (note 6)	840,336	100,000
Agent option exercised	625,000	75,765
Balance, as at December 31, 2010	73,429,861	15,138,853
Flow-through share private placement, net of cost of issue (i)	3,874,270	949,847
Allocation to warrants (i)	–	(120,561)
Flow-through share premium	–	(154,971)
Issued on settlement of property option obligation (note 6)	100,000	10,900
Balance, as at September 30, 2011	77,404,131	\$ 15,824,068

(i) On March 3, 2011, Thundermin raised \$1,007,310 by way of private placement. The private placement offering consisted of 3,874,270 units at a price of \$0.26 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 \$0.35 per share until September 3, 2012. Additionally, Thundermin paid \$57,463 in commissions, and issued 189,439 broker compensation warrants in connection with this financing. The broker warrants are exercisable at \$0.26 until September 3, 2012 and were ascribed a fair value of \$14,018 utilizing the Black-Scholes model, with the following assumptions: dividend yield 0%, expected volatility 80.37%, a risk free interest rate of 1.82%, and an expected maturity of 1.5 years. The resulting fair value has been charged to cost of issue.

The 1,937,135 warrants issued in connection with this private placement are exercisable until September 3, 2012 at \$0.35 and were ascribed a fair value of \$106,543 utilizing the Black Scholes model, with the following assumptions: dividend yield 0%, expected volatility 80.37%, a risk free interest rate of 1.82%, and an expected maturity of 1.5 years. The resulting fair value has been charged to contributed surplus.

8. Share Capital (continued)

(c) Warrants

Details of warrants outstanding are as follows:

	Number of Warrants	Exercise Price/Warrant	Expiry Date
Balance, December 31, 2008	3,125,000	\$ 0.25	
Issued during 2009:			
November 18, 2009	1,388,885	\$ 0.25	May 18, 2011
Balance, December 31, 2009	4,513,885	\$ 0.25	
Expired during 2010:			
December 18, 2009	(3,125,000)	\$ 0.25	September 30, 2010
Balance, December 31, 2010	1,388,885	\$ 0.25	
Issued during 2011:			
March 3, 2011 (Note 8(b)(ii))	2,126,565	\$ 0.26/0.35	September 3, 2012
Expired during 2011:			
November 18, 2009	(1,388,885)	\$ 0.25	May 18, 2011
Balance, September 30, 2011	2,126,565	\$ 0.35	

The fair value of the warrants issued in 2011 has been determined to be \$120,561, using the Black-Scholes pricing model based on the following assumptions:

Risk free interest rate	1.82%
Dividend yield	nil
Expected stock volatility	80.37 %
Expected life	1.5 years

(d) Contributed Surplus

	Nine Months September 30, 2011	Year Ended December 31 2010
Balance, beginning of period	\$ 863,542	\$ 879,634
Fair value of warrants issued (note 8(c))	120,561	–
Fair value of agents options exercised	–	(25,767)
Fair value of options issued	27,690	9,675
Balance, as at September 30, 2011	\$ 1,011,793	\$ 863,542

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 September 30, 2011 and December 31, 2010 is presented below.

	September 30, 2011		December 31, 2010	
	Number of stock options	Weighted- average exercise price	Number of stock options	Weighted- average exercise price
Outstanding, beginning	3,370,000	\$ 0.10	3,295,000	\$ 0.10
Granted	195,000	0.17	75,000	0.15
Expired	(495,000)	0.10	–	–
Outstanding, ending	3,070,000	\$ 0.11	3,370,000	\$ 0.10

9. Stock-Based Compensation *(continued)*

On March 28, 2011 Thundermin granted 195,000 incentive stock options in aggregate to four directors of the Company, with an exercise price of \$0.17, expiring in five years and vesting immediately upon grant. A fair value of \$27,690 was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility 121.44%, a risk free interest rate of 2.67%, and an expected maturity 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 September 30, 2011 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	900,000	\$ 0.10	0.48	900,000	\$ 0.10
March 8, 2014	1,850,000	0.10	2.44	1,850,000	0.10
July 8, 2014	50,000	0.16	2.77	50,000	0.16
April 21, 2015	75,000	0.145	3.56	75,000	0.145
March 28, 2016	195,000	0.17	4.50	195,000	0.17
	3,070,000	\$ 0.11	2.25	3,070,000	\$ 0.11

10. Income Taxes

Deferred Income Taxes

	September 30, 2011	December 31, 2011	January 1, 2010
Mineral properties and exploration costs	\$ 5,449,382	\$ 5,214,980	\$ 5,343,259
Non-capital losses	733,789	641,433	744,813
Marketable securities	(136,616)	(150,140)	(88,715)
Capital losses	650,506	650,906	641,433
Share issue costs	22,364	7,998	12,653
Other	45,285	45,285	45,285
Deferred income taxes, before valuation allowance	6,764,710	6,410,462	6,698,728
Valuation allowance	(6,764,710)	(6,410,462)	(6,698,728)
Net deferred income tax assets	\$ -	\$ -	\$ -

11. Loss Per Common Share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Numerator:				
Net loss attributable to common shareholders – basic and diluted	\$ (47,308)	\$ 120,307	\$ (224,964)	\$ (112,216)
Denominator:				
Weighted-average common shares outstanding – basic	77,355,101	73,326,258	76,438,355	72,438,413
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

As a result of the net losses for the periods ended September 30, 2011 and 2010, the potential effect of the exercise of stock options and warrants were 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.

12. 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.

13. 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 September 30, 2011, 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 September 30, 2011, Thundermin had a cash and cash equivalents balance of \$105,978 (December 31, 2010 – \$410,666) to settle current liabilities of \$269,220 (December 31, 2010 – \$381,437). In addition, as at September 30, 2011, the quoted value of Thundermin's marketable securities was \$799,726 (December 31, 2010 – \$1,191,983).

(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 \$79,972.

(d) *Fair Value Hierarchy and Liquidity Risk Disclosure*

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 and cash equivalent, 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
Cash and cash equivalents	\$ 105,978	\$ –	\$ –
Marketable securities	\$ 799,726	\$ –	\$ –

14. Commitments

In connection with the issuance of flow-through shares under the private placement in 2009 Thundermin renounced \$500,000 of qualifying expenditures to shareholders in fiscal 2010.

The Company is committed to incur, on a best efforts basis, \$1,007,310 in qualifying resource expenditures pursuant to a private placement for which flow-through proceeds have been received (see note 8, Capital Stock) by December 31, 2011. As at September 30, 2011, the Company had incurred qualifying resource expenditures of approximately \$862,000. The Company must incur the balance of qualifying resource expenditures before January 1, 2012.

15. Transition to IFRS

Overview

The Company has adopted IFRS, effective for interim and annual financial statements relating to its fiscal year ended December 31, 2011. These are the Company's first condensed financial statements that have been prepared in accordance IAS 34 using accounting policies consistent with IFRS.

The accounting policies have been selected to be consistent with IFRS as is expected to be effective on December 31, 2011, the Company's first annual IFRS reporting date. Previously, the Company prepared its interim and annual financial statements in accordance with Canadian GAAP.

The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these condensed financial statements will be finalized only when the first annual IFRS financial statements are prepared for the year ending December 31, 2011.

15. Transition to IFRS (continued)

First-time Adoption of IFRS

The adoption of IFRS requires the application of 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 an entity's first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Company has elected to apply the following optional exemptions in its preparation of its opening IFRS balance sheet as at January 1, 2010, the Company'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 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 not reassess whether arrangements contain a lease under IFRS where the same determination that would be made under IFRIC 4 Determining whether an Arrangement Contains a Lease (IFRIC 4) was made previously in accordance with Canadian GAAP.
- To apply the transitional provisions of IFRIC 4 to leases which the same determination as IFRIC 4 was not made previously in accordance with Canadian GAAP. Therefore, the determination of whether these arrangements contain a lease is based on the circumstances existing at the Transition Date.
- 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.

IFRS 1 does not permit changes to estimates that have been made previously. Estimates used in the preparation of the Company's opening IFRS statement of financial position, and other comparative information restated to comply with IFRS, are consistent with those made previously under current Canadian GAAP.

Changes to Accounting Policies

The adoption of IFRS resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. Accounting policies have been changed to be consistent with IFRS as is expected to be effective on December 31, 2011.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS, and the effect on the Company's opening IFRS balance sheet.

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. The changes in accounting policies related to Exploration and Evaluation Expenditures did not have a significant impact on the Company's financial statements.

Impairment of Non-Financial Assets

IFRS requires a write-down of assets if the recoverable amount is less than its carrying value. The recoverable amount is defined as the higher of the fair value less costs to sell and the value-in-use. Value-in-use is determined using discounted estimated future cash flows. Under Canadian GAAP, a write-down to estimated fair value was required only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

IFRS also requires the reversal of any previous impairment losses, with the exception of goodwill, where circumstances have changed such that the level of impairment in the value of the assets has been reduced. Canadian GAAP prohibits the reversal of impairment losses. The Company has changed its accounting policies related to impairment of assets to be consistent with the requirements under IFRS. The changes in accounting policies related to impairment did not have a significant impact on the Company's financial statements.

Flow-Through Shares

Thundermin has chosen to adopt the following accounting policy for flow-through shares following the guidance from IAS 8 Para. 10-12 and considering the requirements and principles of IAS 12 Income Taxes. At the time of closing a financing involving flow-through shares, Thundermin allocates the gross proceeds received as follows:

- Other liabilities* – The flow-through share premium is recorded as other liabilities and equal to the estimated premium, if any, investors pay for the flow-through feature; and
- Contributed surplus* – If warrants are issued, warrants are allocated to contributed surplus based on the valuation derived using the Black-Scholes option pricing model; and
- Share capital* – the residual balance is allocated to share capital.

At the end of each reporting period, Thundermin reviews its tax position and records an adjustment to its deferred tax expense and liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, Thundermin considers the tax benefits of qualifying resource expenditures already incurred to have been effectively transferred, if it has formally renounced those expenditures at any time before or after the end of the reporting period. Additionally, Thundermin reverses the liability for the flow-through share premium to income, on a proportionate basis, as an offset to deferred tax expense. To the extent that Thundermin has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, Thundermin may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

15. Transition to IFRS (continued)

Under Canadian GAAP, 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.

The Company's accounting policies were changed to reflect this difference, resulting in an increase in other liabilities of \$55,556, an increase in share capital of \$693,792 and an increase in deficit of \$749,348 at January 1, 2010.

Reconciliation of Canadian GAAP to IFRS

The following provides reconciliations of the shareholders' equity and the comprehensive loss from Canadian GAAP to IFRS for the respective periods. The adoption of IFRS did not have a material impact on the condensed statement of cash flows.

	December 31, 2010	September 30, 2010	January 1, 2010
Shareholders' equity under Canadian GAAP	\$ 4,172,537	\$ 4,053,218	\$ 4,281,482
Estimated premium paid by investors for the flow-through feature	–	(55,556)	(55,556)
Shareholders' equity under IFRS	\$ 4,172,537	\$ 3,997,662	\$ 4,225,926
For the Nine Months Ended September 30,		2011	2010
Comprehensive loss under Canadian GAAP		\$ (606,071)	\$ (387,939)
Comprehensive loss under IFRS		\$ (606,071)	\$ (387,939)
	December 31, 2009 (Canadian GAAP)	Transition Adjustments	January 1, 2010 (IFRS)
	\$	\$	\$
Assets			
Current assets			
Cash and cash equivalents	787,439	–	787,439
Accounts receivable	174,108	–	174,108
Marketable securities	1,333,561	–	1,333,561
	2,295,108	–	2,295,108
Mineral properties and exploration costs	2,136,959	–	2,136,959
	4,432,067	–	4,432,067
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	150,585	–	150,585
Other liabilities	–	55,556	55,556
	150,585	55,556	206,141
Shareholders' equity			
Share capital	14,269,296	693,792	14,963,088
Contributed surplus	879,634	–	879,634
Accumulated other comprehensive income	709,717	–	709,717
Deficit	(11,577,165)	(749,348)	(12,326,513)
	4,281,482	(55,556)	4,225,926
	4,432,067	–	4,432,067



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