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Timberline Resources Agrees to Acquire Battle Mountain Gold-Copper Property Interests

**Elder Creek and Paiute Gold-Copper Projects
Battle Mountain District, Nevada**

April 2018

DISCOVERING | DEVELOPING | **DELIVERING**

Cautionary Statements



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Forward Looking Statements

Statements contained herein that are not based upon current or historical fact are forward-looking in nature and constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements reflect the Company's expectations about its future operating results, performance and opportunities that involve substantial risks and uncertainties. These statements include but are not limited to: statements regarding the Elder Creek Project and Paiute Project, including potential acquisition by Timberline, timing of acquisition, JV earn-in success, resources and exploration tonnage and grade targets, drill readiness, and statements regarding future extraction operations. When used herein, the words "anticipate," "believe," "estimate," "upcoming," "plan," "target", "intend" and "expect" and similar expressions, as they relate to Timberline Resources Corporation, its subsidiaries, or its management, are intended to identify such forward-looking statements. These forward- looking statements are based on information currently available to the Company and are subject to a number of risks, uncertainties, and other factors that could cause the Company's actual results, performance, prospects, and opportunities to differ materially from those expressed in, or implied by, these forward- looking statements. Factors that could cause or contribute to such differences include, but are not limited to, risks related to exploration projects, risks related to mining activities, risks related to potential future transactions, risks related to the Company continuing as a going concern, risks related to the ability to finance any payments due, risks related to project development decisions, risks related to mineral resource estimates and other such factors, including risk factors discussed in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Except as required by Federal Securities law, the Company does not undertake any obligation to release publicly any revisions to any forward-looking statements..

Cautionary Statements

This presentation reports certain historical assays collected by previous companies for the properties noted. These assays have been completed by known and respected laboratories which consistently perform analyses for the mineral extraction industry using standard sample preparation and analysis techniques. Final laboratory reports which identify the laboratory, assay dates, and certificate numbers, and sample preparation and analytical procedures are available.

Steven Osterberg, Ph.D., P.G., Timberline's President and CEO, is a Qualified Person as defined by NI 43-101 and has reviewed and approved the technical contents of this presentation.

Timberline & America's Gold

Proposed Consolidation of Battle Mountain District Assets



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April 23, 2018 Letter of Intent

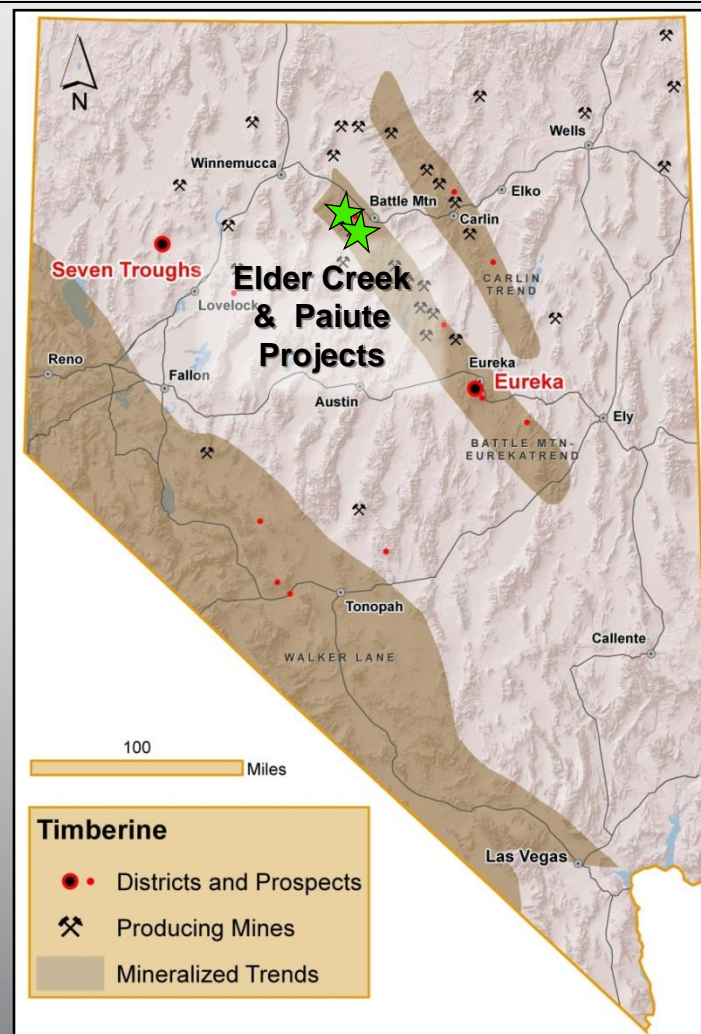
- Timberline to acquire ownership interest in two gold-copper properties in the Battle Mountain District of Nevada from America's Gold Exploration, Inc. (AGEI)
- Acquisition includes the right to earn into existing joint venture agreements with McEwen Mining at the Elder Creek Project, and with Lac Minerals (USA), LLC (subsidiary of Barrick Gold) at the Paiute Project

Proposed Earn-in:

- **Elder Creek:** Joint venture with McEwen Mining with AGEI as Operator
 - **51% Earn-In** for \$2.6 M over 4 years by December 31, 2021
 - Year 1: \$100,000 One Time Cash Payment by May 17, 2018
 - Year 1: \$500,000 Work Commitment by December 31, 2018
 - Year 2: \$500,000 Work Commitment by December 31, 2019
 - Year 3: \$750,000 Work Commitment by December 31, 2020
 - Year 4: \$750,000 Work Commitment by December 31, 2021
 - **65% Earn-In** for an additional \$2.5M work commitment for a total of \$5.1M over 6 years by December 31, 2023.
- **Paiute:** AGEI currently owns 73.7% of the joint venture with Lac Minerals (USA) (Barrick subsidiary)
 - No mandatory work commitments required
 - AGEI as Operator proposing work budgets with Lac 30-day option for pro rata participation or dilution.
 - If dilution reaches 10% or less, then Lac converts to a 2% NSR

Transaction targeted for completion in May, 2018

- Consideration consists of units comprised of common shares and warrants



Elder Creek and Paiute Project

Location: Battle Mountain Gold - Copper District

■ Battle Mountain District

- North-end of prolific Battle Mountain-Eureka Trend
- World-class mining district:
- >25 million oz. gold and 2 billion lbs. copper

■ 3 Producing Mines & 1 Cu-Au Development Project

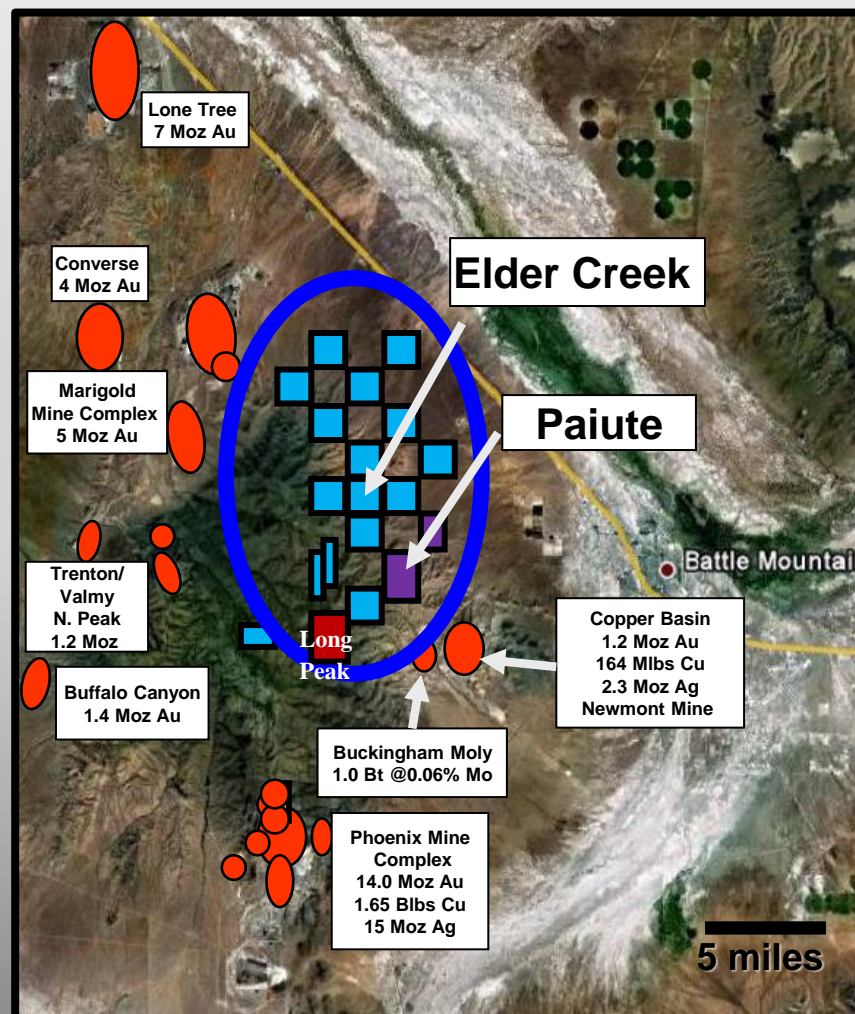
- Newmont's
 - Lone Tree Gold Mine
 - Phoenix Gold & Copper Mine
 - Copper Basin Copper-gold development
- SSR Mining's Marigold Mine Complex

■ Elder Creek Cu-Au-Mo-Ag Porphyry Project

- 583 Un-patented mining claims - ~15 sq. miles
- Located between SSR Mining's Marigold Mine, Newmont's Lone Tree Gold Mine & Copper Basin Project

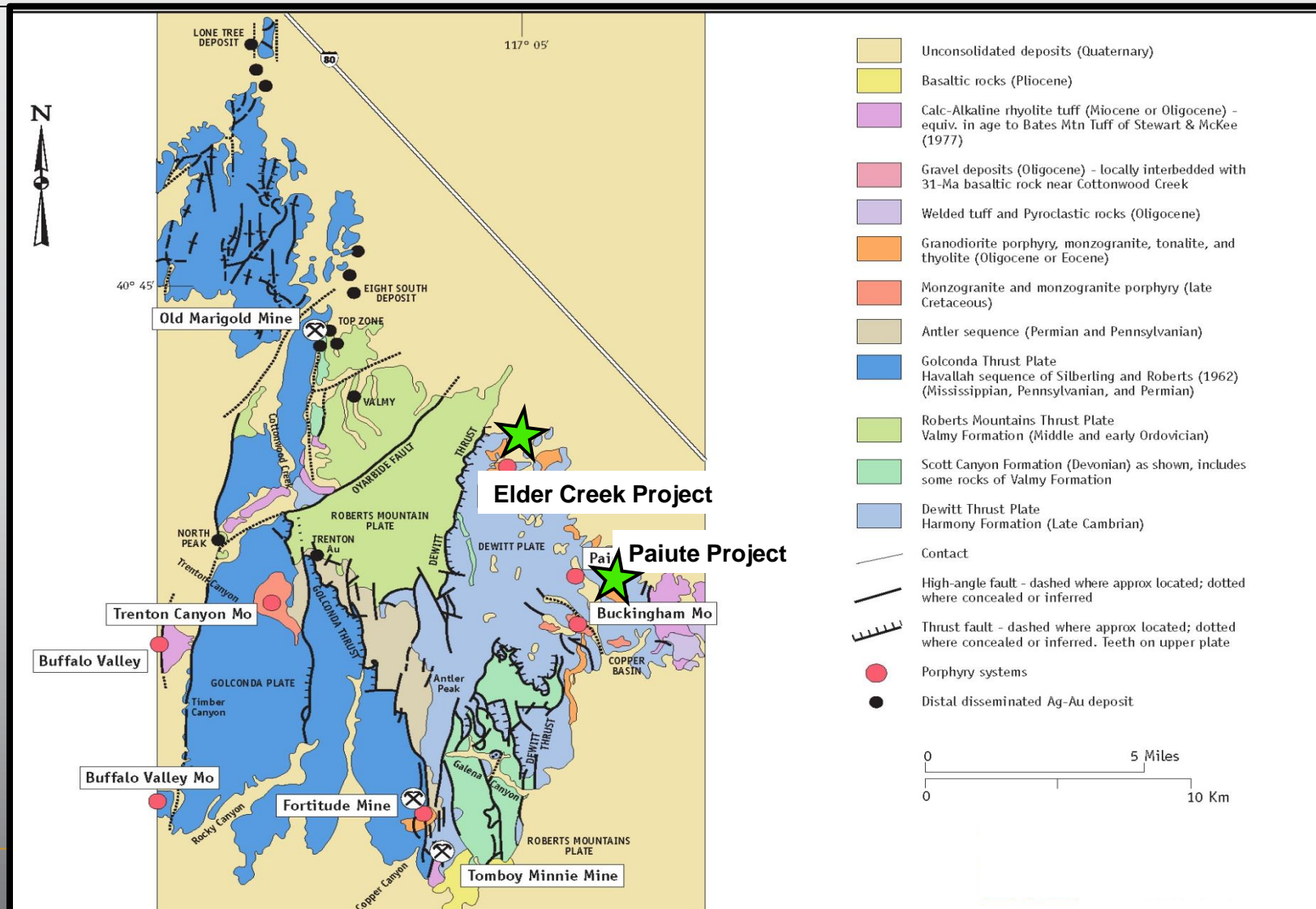
■ Paiute Cu-Au Porphyry & Structural Au Project

- 64 un-patented mining claims - ~1,150 acres
- Immediately northwest of Newmont's Copper Basin Project



Elder Creek and Piute Projects

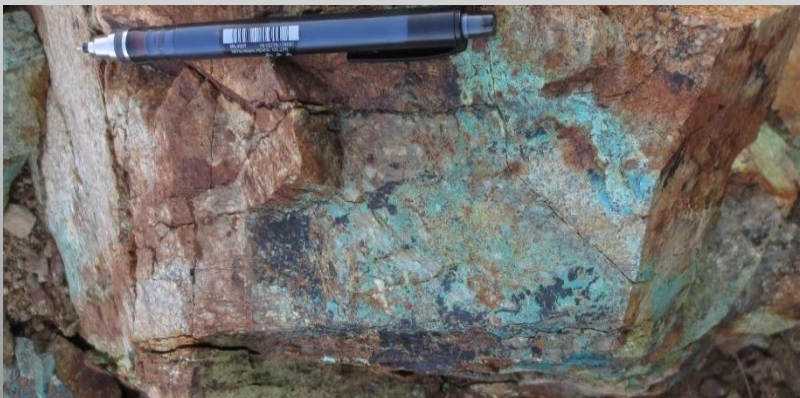
Battle Mountain District Geology



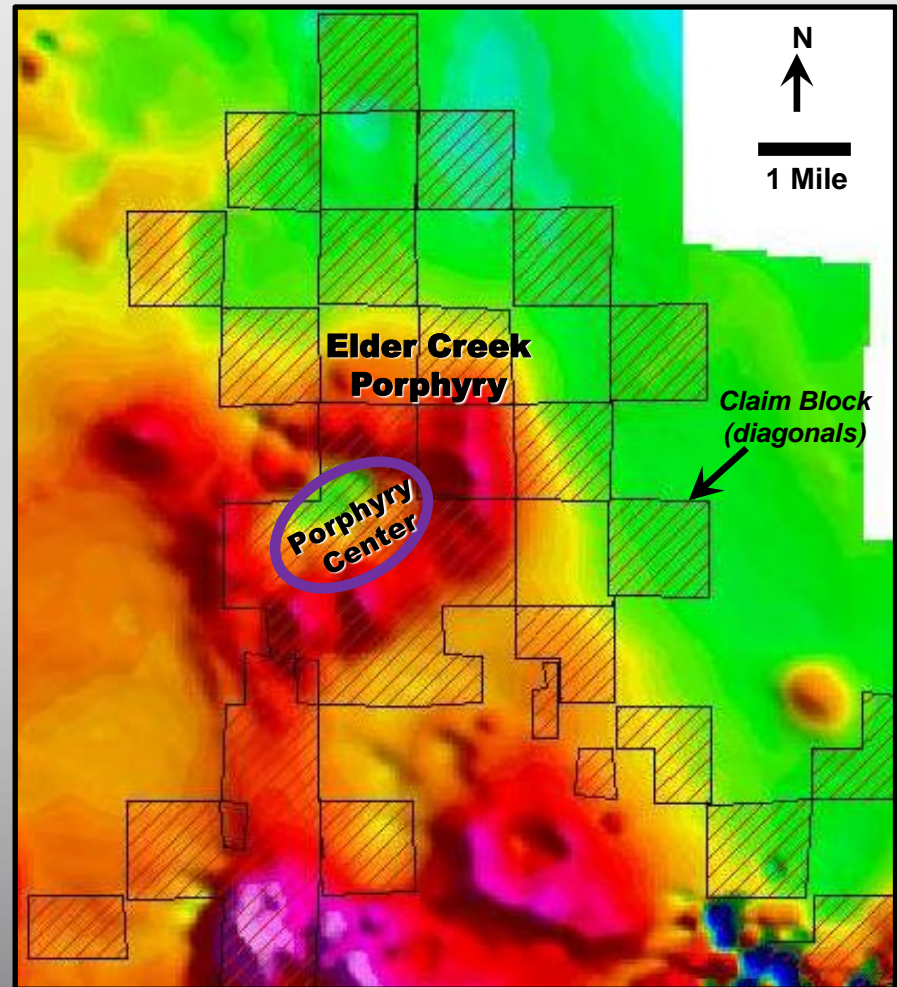
Elder Creek Project

Airborne Magnetics

- Elder Creek: Classic porphyry magnetic “doughnut” signature with 1-mile diameter non-magnetic center
- Multiple porphyritic granodiorite intrusion phases similar to Copper Canyon-Phoenix
- Outcropping Copper-oxide mineralization
- Favorable size comparison to major porphyry hosting mineral deposits
 - Butte, Bingham, Refugio, Batu Hijau, Yerington, Resolution



Neotocite (Cu-bearing MnO_2) and chrysocolla along fracture surfaces in quartz-eye hornblende-biotite granodiorite porphyry at Elder Creek.



Elder Creek Project

General Geology and Targets*



Geologic Setting

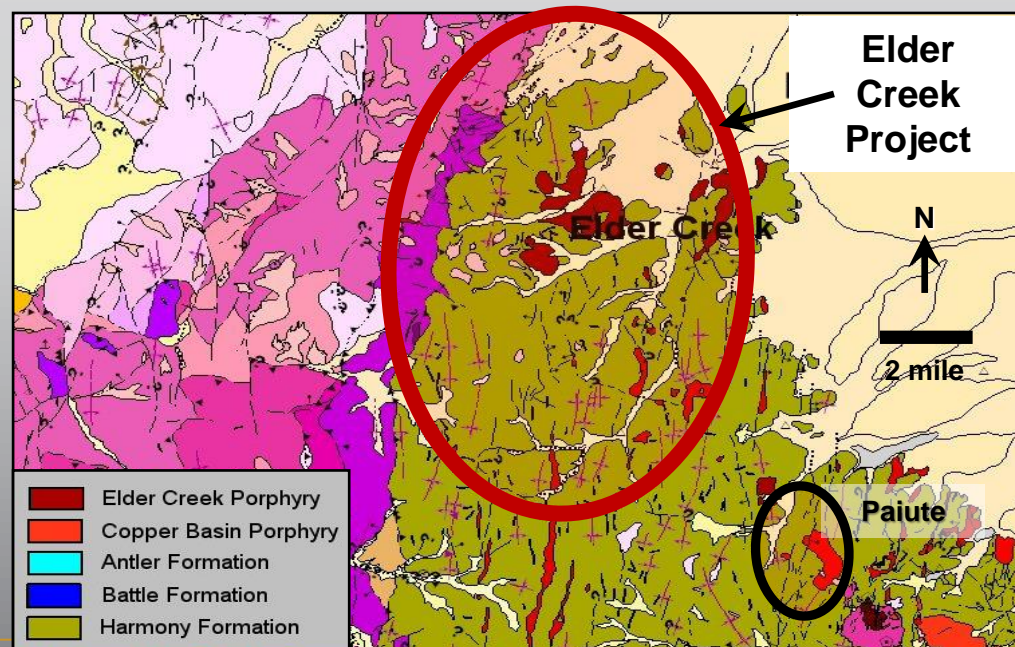
- Separate, potentially “stacked” Cu-Mo-Au-Ag porphyry systems with secondary discovery targets, and separate structural-related gold
- Outcropping Cu-oxide leach, subsurface Cu-Au sulphide, and near-surface oxide Au

Resource Targets *

- Cu-Au (Mo-Ag) porphyry: 500MT to 1.0BT of resources @ 0.5% - 0.8% Cu, 0.003-0.03 opt Au
- Structural oxide Au (Lone Tree-type): 750,000-1,000,000 oz. @ 0.025 – 0.04 oz./ton (opt)

Exploration Program

- Surface geology, geophysics, geochemistry
- Drilling and geologic modeling
- Estimate of NI 43-101 resource













* Resource target estimate based on intrusive size, magnetic signature, rock sample assays, and comparison to known mines of this deposit type (see page 6).

Elder Creek Project

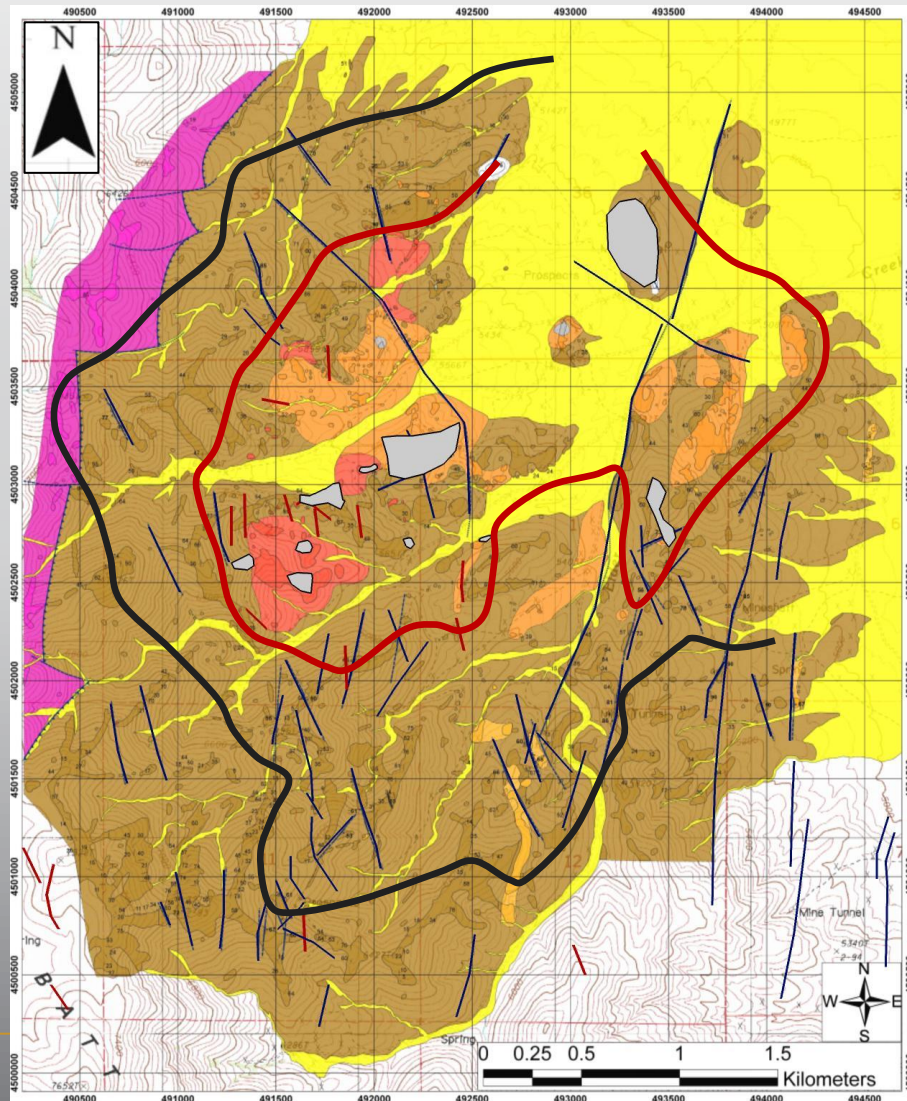
Geology and Alteration

Simplified geology map showing the distribution of faults and felsic dikes compiled from Theodore (1996) and King (2011). The overlays show the outer limits of biotite-pyrite-pyrrhotite hornfels (Theodore, 1996), moderate to strong abundance of granular, porphyry-style quartz veins (Amoco, 1967) and zones of strong quartz veins and silicification mapped by McEwen Mining (2011-2012).

-  Quartz Veins / Silicification (strong)
-  Quartz Veins (mod to strong)
-  Limit of Biotite Hornfels
-  Felsic Dike

-  (Qal) Quaternary Alluvium
-  (DHBX) Dark Matrix Breccia
-  (WHBX) White Matrix Breccia
-  (EP) Early Elder Creek Porphyry
-  (QEP) Elder Creek Quartz Eye Porphyry
-  (LQEP) Late Quartz Eye Porphyry
-  (Ov) Ordovician Valmy Formation
-  (Ch) Cambrian Harmony Formation

-  Thrust Fault
-  Normal Fault



Elder Creek Project

Surface Mineralization*



1.30% Cu,
5 ppm Ag

Valmy Copper Pit Target

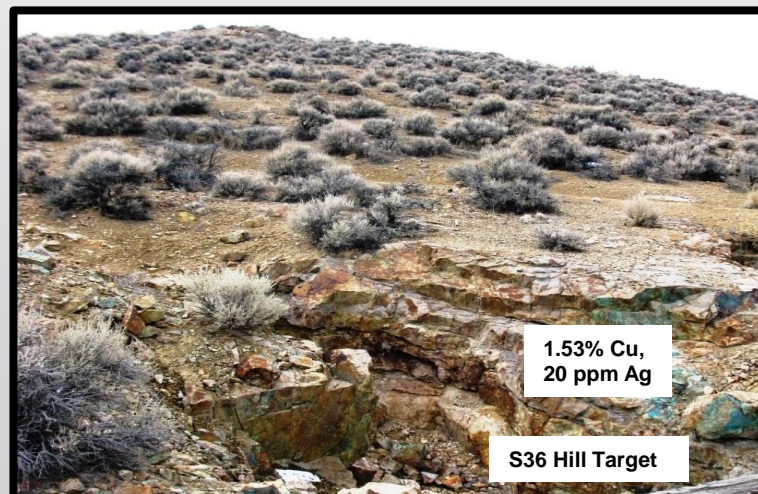
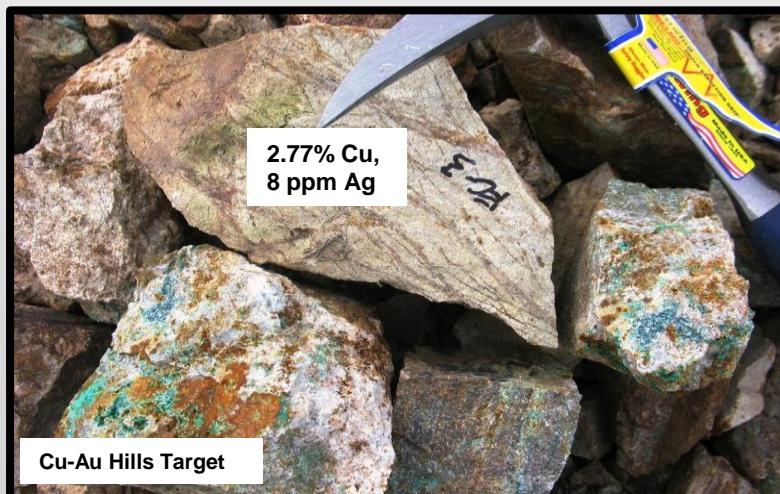


**Assays noted here and on subsequent photographs have been completed by ALS Minerals, Reno NV. Final certified laboratory reports which identify the laboratory, assay dates, and certificate numbers, and sample preparation and analytical procedures are available.*

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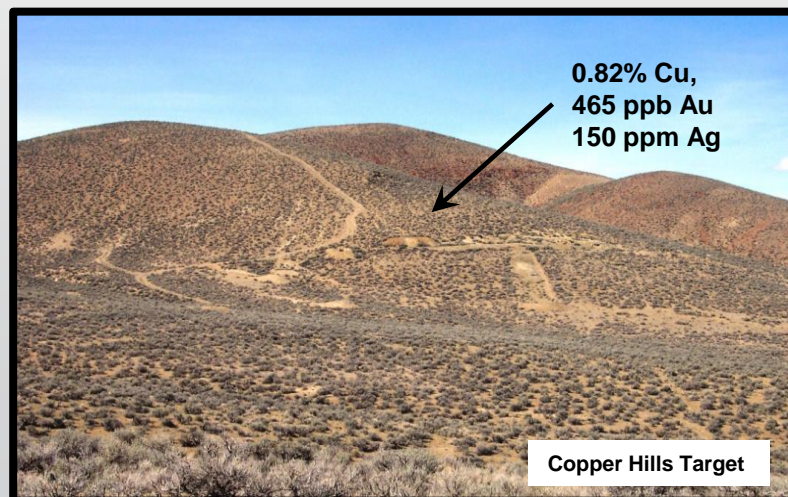
Elder Creek Project

Rocks and Surface Mineralization



Elder Creek Project

Rocks and Surface Mineralization

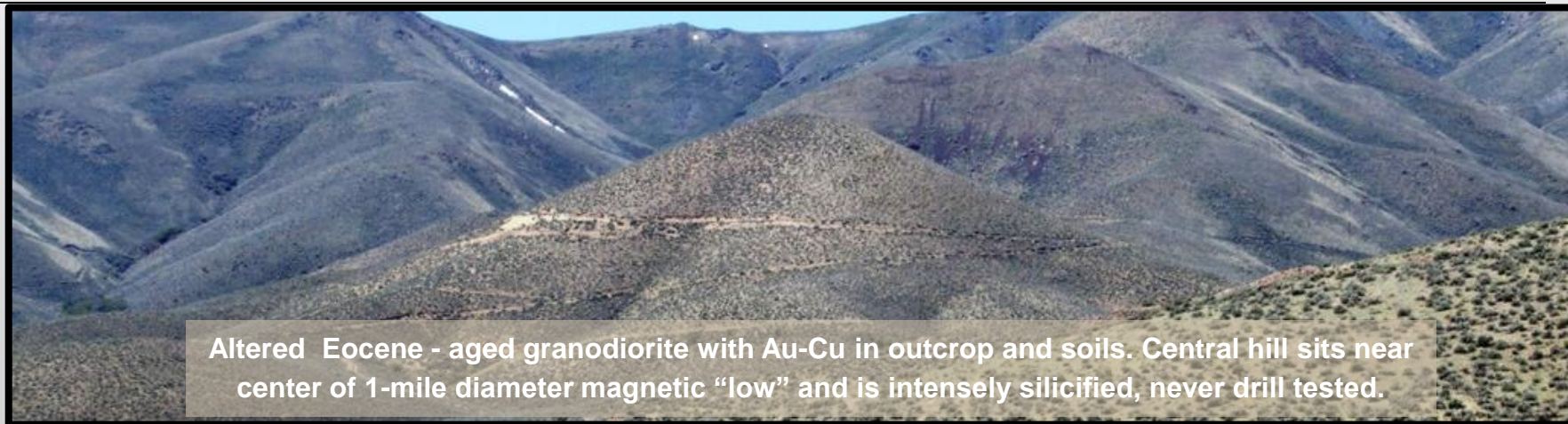


Elder Creek Project

Review and Conclusions



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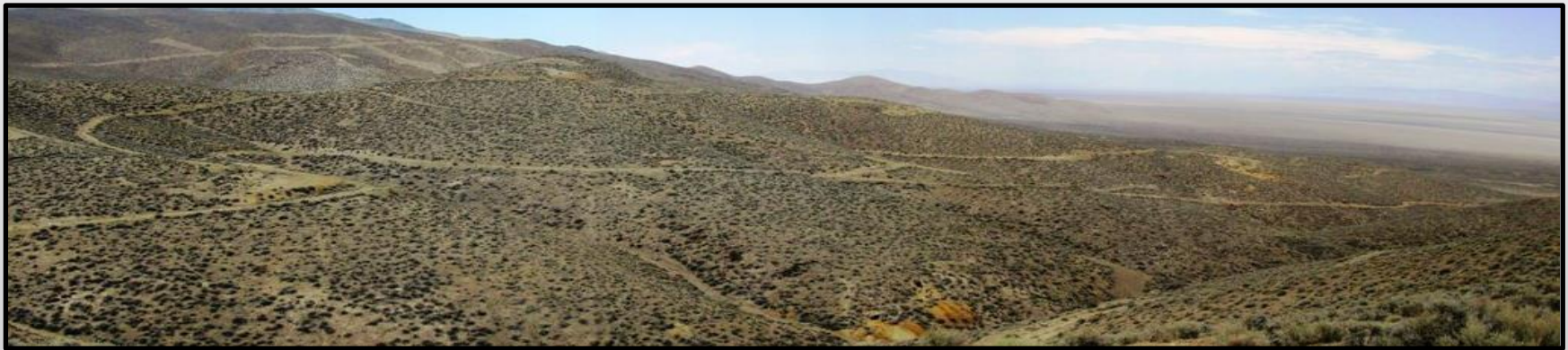
■ Large porphyry system with footprint that exceeds 3 km by 2 km

- At least 3 phases of porphyritic granodiorite intrusions of late Eocene age (similar to Copper Canyon-Phoenix)
- Central zone of intense silicification (quartz veining) flanked by proximal potassic alteration and distal biotite-pyrite-pyrrhotite hornfels
- Late-stage quartz-sericite-pyrite alteration associated with veins that flank the porphyry
- Copper mineralization visually evident in rock outcrops over a 1 x 1.2 mi zone with evidence of Cu-leaching (abundant jarosite); *target is 50 m to 100 m thick zone of leachable low-grade Cu-oxide & secondary Cu-enrichment blanket (0.25% - 0.75% Cu)
- An airborne-magnetic high has the appearance of a doughnut, which may be related to the non-magnetic granodiorite intrusive with a peripheral magnetic biotite-pyrite-pyrrhotite hornfels

**Target thickness and grade estimate based on rock sample assays, and comparison to known copper oxide “blanket” present in examples of this deposit type (see page 6).*

Paiute Project

General Geology

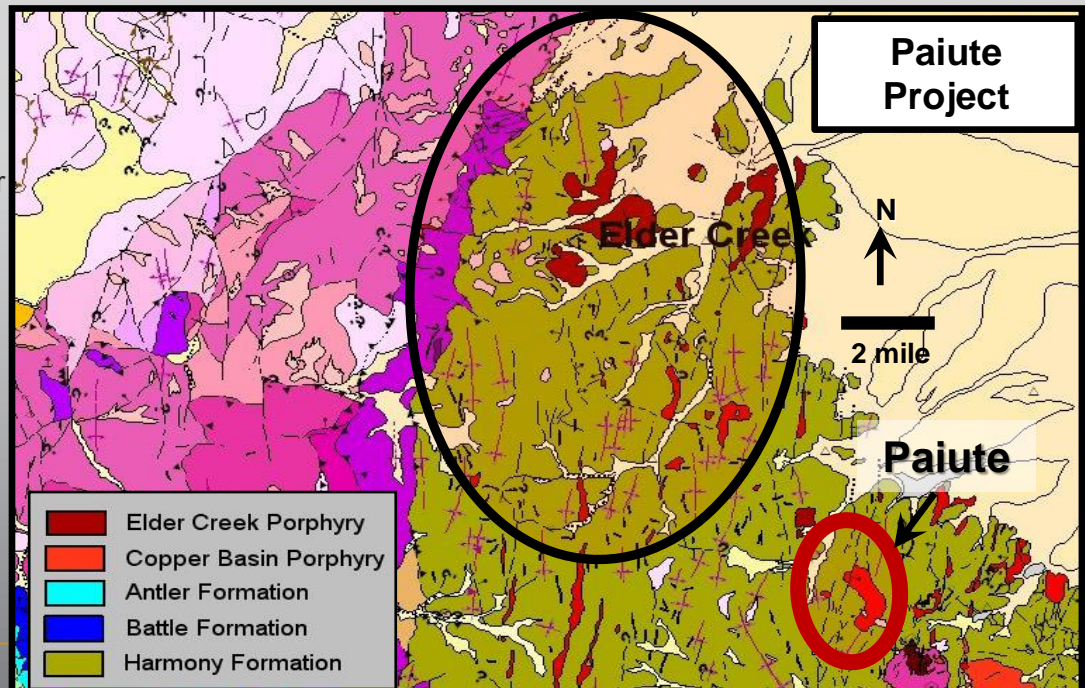


Location

- Southeast of Elder Creek
- 1.5 Miles Northwest of Newmont's Copper Basin Cu-Au Porphyry Project

Resource Targets *

- Cu-Au Porphyry: 250MT to 500MT of Cu @ 0.5%-0.8%, and Au @ 0.015-0.04 opt
- Structural oxide Au-Ag (Lone Tree-type) : 750,000-1,000,000 oz Au @ 0.02 – 0.15 opt



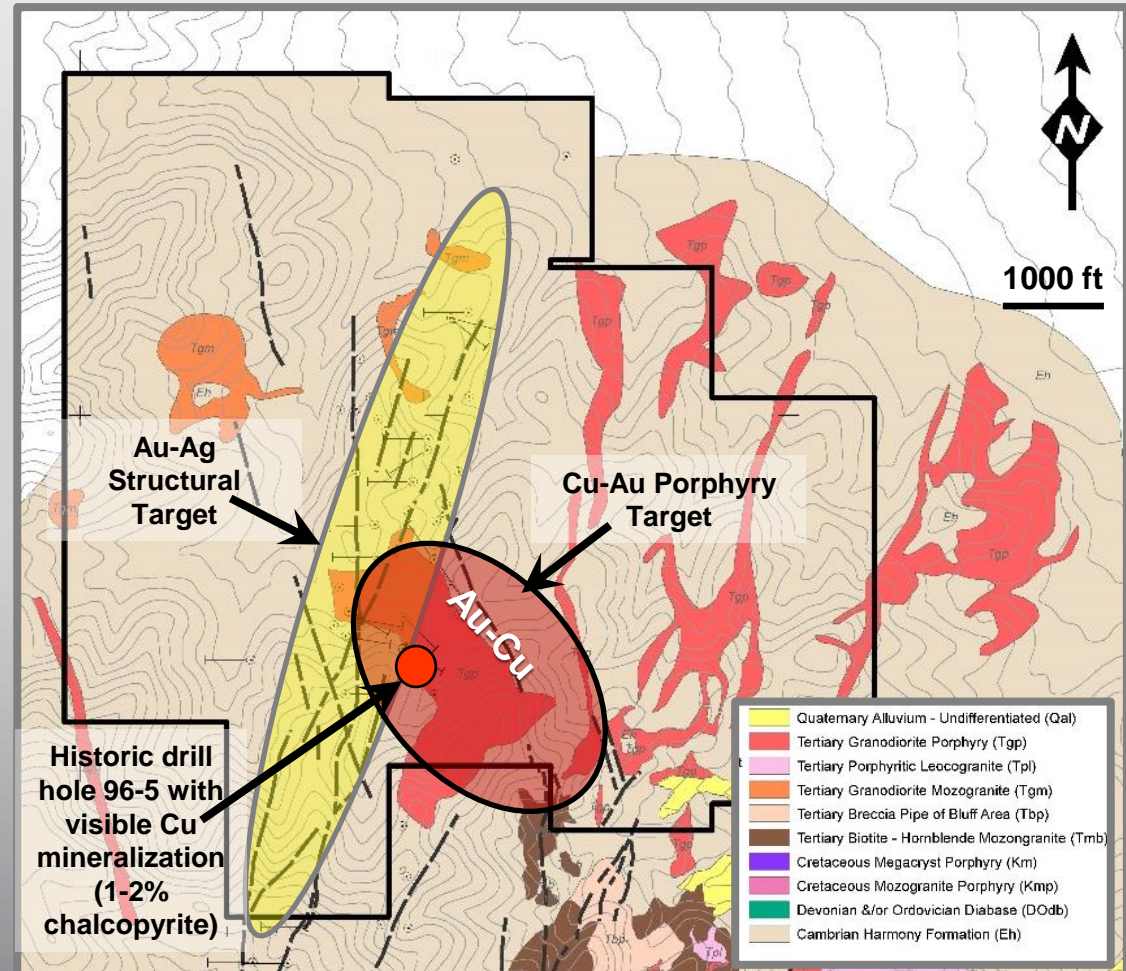
* Resource target estimate based on intrusive size, magnetic signature, rock sample assays, and comparison to known mines of this deposit type (see page 6).

Paiute Project

Geology and Targets

Two Primary Targets

- High grade structural gold/silver
 - >1.5 mile-long by 1,000-ft wide untested zone
- Gold-Copper porphyry system
- Surface geology, geophysics, geochemistry surveys
- Drilling: Fully permitted for immediate drilling

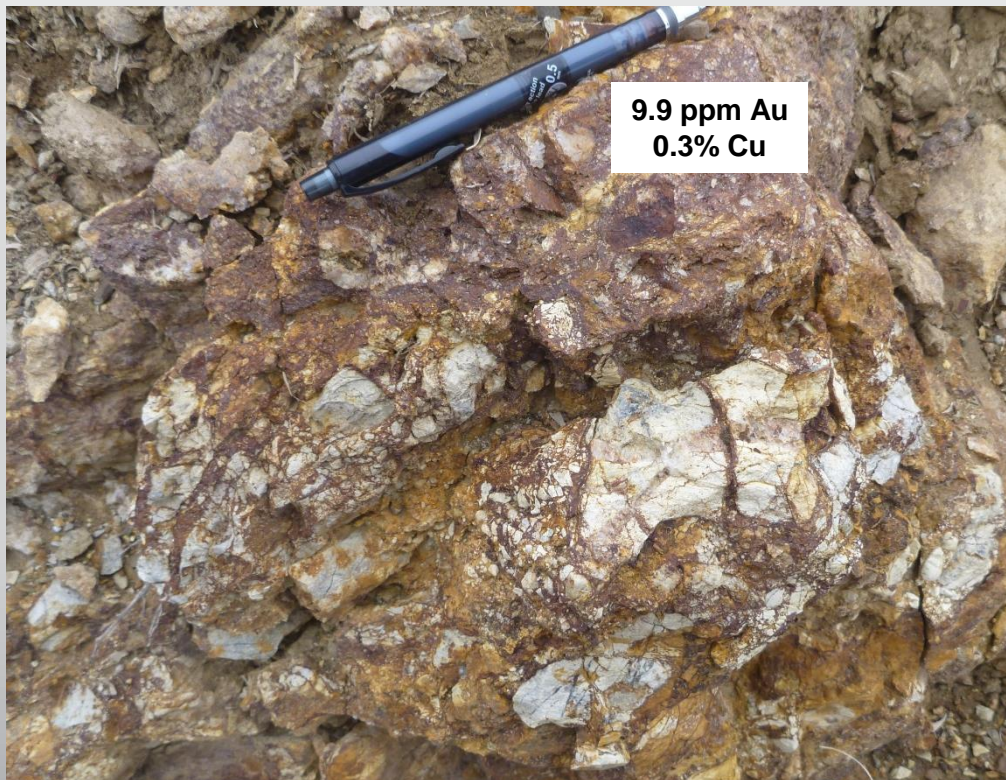


Paiute Project

Surface Mineralization*



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Breccia textures in quartz-sericite-limonite (after pyrite) altered Cambrian Harmony sandstone). The sandstone wall-rock is cut by quartz veins and black silica veinlets.

Veinlets are truncated by the silica-goethite-rich matrix to the breccia. The breccia fabric strikes N20°E and dips 73°NW, which coincides with the trend of historic prospected gold-mineralized corridor that extends through this area.



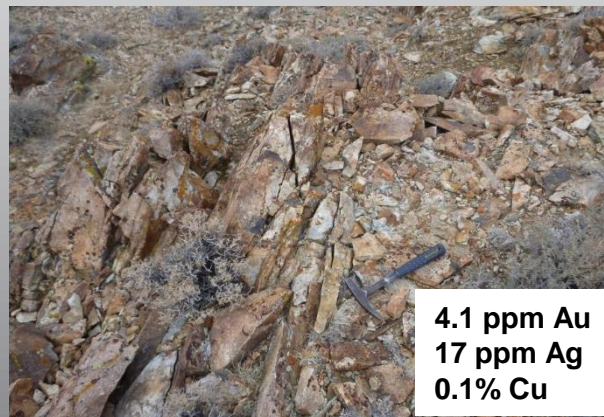
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Paiute Project

Additional Observations

■ **Paiute Project: NW portion of porphyry system with metal zoning and footprint exceeding 0.6 x 2 mi area**

- At least two phases of porphyritic granodiorite intrusions of late Eocene age
- Central zone of quartz veins/veinlets flanked by proximal calc-silicate hornfels and distal biotite-pyrrhotite hornfels
- Late-stage phyllic alteration, veins, and fault zones form a NNE-trending structural corridor (1.5 mi x 1,000 ft) in the western part of project area
- Drill hole 96-5 (TD = 179.8 m) contains visible Cu mineralization (1-2% chalcopyrite) in granodiorite porphyry with variable sericite-chlorite, secondary amphibole and biotite alteration



Elder Creek and Paiute Projects

Summary



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■ **Porphyry Copper-Gold Projects**

- Geology characteristic of very large mineralized systems
 - 3 mile diameter, with 1 mile diameter core at Elder Creek
 - Multiple intrusives, zoned alteration, silica cap, oxide copper, doughnut-shaped (Elder Creek) magnetic signatures
- Associated gold structural targets

■ **Nevada: world-class jurisdiction**

- Battle Mountain District:
 - >25 million oz gold
 - 2 billion lbs. copper

■ **Favorable Ownership Structure**

- Paiute: immediate majority (73.6%) ownership
- Elder Creek: 6-year earn-in for majority (65%) ownership

■ **Drill-ready**