

Timberline Resources Closes Final Tranche of Equity Financing

Coeur d'Alene, Idaho – June 30, 2016 – **Timberline Resources Corporation (OTCQB: TLRS; TSX-V: TBR)** (“Timberline” or the “Company”) announced that it has closed the third and final tranche of its previously announced non-brokered private placement (the “Offering”), for which it has received final approval from the TSX Venture Exchange

In connection with the closing of the third and final tranche of the Offering, the Company has issued 3,076,734 Units at a price of US\$0.15 for gross consideration of US\$461,510. In the three tranches of the Offering that have closed, the Company has issued a total of 10,000,006 Units for total consideration of US\$1,500,000.

Each Unit in the Offering consisted of one share of common stock of the Company and one common share purchase warrant (each a “Warrant”), with each Warrant exercisable to acquire an additional share of common stock of the Company at a price of US\$0.25 per share until May 31, 2019.

The Offering was completed under Rule 506(c) of Regulation D promulgated by the SEC under the Securities Act of 1933, as amended (the “Securities Act”) solely to persons who qualify as accredited investors. Subscribers who were resident in Canada were required to qualify as accredited investors under Canadian National Instrument 45-106 *Prospectus Exemptions*.

The Company intends to use the net proceeds of the Offering for working capital, exploration program expenses, costs associated with claim maintenance, and loan repayments. A consulting fee was paid by Timberline in relation to this transaction to support in marketing this offering of Units.

The securities offered in the Offering have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States absent such registration or an applicable exemption from such registration requirements. The securities offered in the Offering are also subject to a four month hold period pursuant to applicable Canadian securities laws and TSX Venture Exchange policies. The securities sold in the third and final tranche are subject to a hold period expiring November 1, 2016.

Insiders of the Company have acquired 331,733 Units under the Offering. Their participation is considered to be a “related party transaction” within the meaning of TSX-V Policy 5.9 and Canadian Multilateral Instrument 61-101 (“MI 61-101”). The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of an Insider Participation as neither the fair market value of any shares issued to, nor the consideration paid by, such persons will exceed 25% of the Company’s market capitalization.

This press release does not constitute an offer to sell or a solicitation of an offer to buy securities nor shall there be any sale of the securities referenced herein in any state or other jurisdiction in which such

offer, solicitation or sale is not permitted. The securities referenced herein have not been approved or disapproved by any regulatory authority.

About Timberline Resources

Timberline Resources Corporation is focused on advancing district-scale gold exploration and development projects in Nevada, including its Talapoosa project in Lyon County where the Company has completed and disclosed a positive preliminary economic assessment. Timberline also controls the 23 square-mile Eureka project lying on the Battle Mountain-Eureka gold trend. At Eureka, the Company continues to advance its Lookout Mountain and Windfall project areas. Exploration potential occurs within three separate structural-stratigraphic trends defined by distinct geochemical gold anomalies. Timberline also owns the Seven Troughs property in northern Nevada, known to be one of the state's highest-grade, former producers.

Timberline is listed on the OTCQB where it trades under the symbol "TLRS" and on the TSX Venture Exchange where it trades under the symbol "TBR".

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 use of proceeds from the Offering, registration of the securities, advancement of projects, and exploration potential. 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 changes in the Company's business resulting in changes in the use of proceeds, and other such factors, including risk factors discussed in the Company's Annual Report on Form 10-K for the year ended September 30, 2015. Except as required by law, the Company does not undertake any obligation to release publicly any revisions to any forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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