

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-34055



TIMBERLINE RESOURCES CORPORATION

(Exact Name of Registrant as Specified in its Charter)

DELAWARE

(State of other jurisdiction of incorporation or organization)

82-0291227

(I.R.S. Employer Identification No.)

101 EAST LAKESIDE AVENUE
COEUR D'ALENE, ID

(Address of Principal Executive Offices)

83814

(Zip Code)

(208) 664-4859

(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$0.001 par value	TLRS TBR	OTCQB TSX-V

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer
Non-Accelerated Filer

Accelerated Filer
Small Reporting Company
Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Number of shares of issuer's common stock outstanding at February 9, 2023: 159,676,152

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PART I — FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES

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TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	<u>December 31, 2022</u>	<u>September 30, 2022</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 956,147	\$ 2,438,587
Prepaid expenses and other current assets	71,099	18,444
TOTAL CURRENT ASSETS	<u>1,027,246</u>	<u>2,457,031</u>
Property, mineral rights, and equipment, net	<u>14,022,809</u>	<u>13,980,855</u>
OTHER ASSETS:		
Reclamation bonds	528,643	528,643
Deposits and other assets	5,700	5,700
TOTAL OTHER ASSETS	<u>534,343</u>	<u>534,343</u>
TOTAL ASSETS	<u>\$ 15,584,398</u>	<u>\$ 16,972,229</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 65,806	\$ 639,994
Accrued expenses	12,182	22,214
Accrued interest – related party	73,117	57,966
Accrued payroll, benefits and taxes	38,480	42,143
Senior unsecured note payable – related party	270,991	270,991
TOTAL CURRENT LIABILITIES	<u>460,576</u>	<u>1,033,308</u>
LONG-TERM LIABILITIES:		
Asset retirement obligation	<u>138,895</u>	<u>124,159</u>
TOTAL LONG-TERM LIABILITIES	<u>138,895</u>	<u>124,159</u>
TOTAL LIABILITIES	<u>599,471</u>	<u>1,157,467</u>
COMMITMENTS AND CONTINGENCIES (Note 7)	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.001 par value; 500,000,000 shares authorized, 159,676,152 and 159,676,152 shares issued and outstanding, respectively	159,676	159,676
Additional paid-in capital	90,007,348	89,955,640
Accumulated deficit	(75,182,097)	(74,300,554)
TOTAL STOCKHOLDERS' EQUITY	<u>14,984,927</u>	<u>15,814,762</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 15,584,398</u>	<u>\$ 16,972,229</u>

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

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three months ended December 31,	
	<u>2022</u>	<u>2021</u>
OPERATING EXPENSES:		
Mineral exploration	\$ 522,643	\$ 1,314,368
Salaries and benefits	112,164	76,320
Professional fees	62,859	65,632
Insurance expense	44,528	31,480
Other general and administrative	127,902	122,671
TOTAL OPERATING EXPENSES	<u>870,096</u>	<u>1,610,471</u>
LOSS FROM OPERATIONS	<u>(870,096)</u>	<u>(1,610,471)</u>
OTHER INCOME (EXPENSE):		
Foreign exchange gain (loss)	3,402	(805)
Interest expense – related party	(15,151)	(13,004)
Other income	302	56
TOTAL OTHER INCOME (EXPENSE)	<u>(11,447)</u>	<u>(13,753)</u>
LOSS BEFORE INCOME TAXES	(881,543)	(1,624,224)
INCOME TAX PROVISION (BENEFIT)	<u>-</u>	<u>-</u>
NET LOSS	<u>\$ (881,543)</u>	<u>\$ (1,624,224)</u>
NET LOSS PER SHARE BASIC AND DILUTED	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	159,676,152	139,696,020

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

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, September 30, 2022	159,676,152	\$ 159,676	\$ 89,955,640	\$ (74,300,554)	\$ 15,814,762
Stock based compensation	-	-	51,708	-	51,708
Net loss	-	-	-	(881,543)	(881,543)
Balance December 31, 2022	159,676,152	\$ 159,676	\$ 90,007,348	\$ (75,182,097)	\$ 14,984,927

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, September 30, 2021	139,696,022	\$ 139,696	\$ 85,345,213	\$ (68,338,647)	\$ 17,146,262
Stock based compensation	-	-	44,321	-	44,321
Net loss	-	-	-	(1,624,224)	(1,624,224)
Balance, December 31, 2021	139,696,022	\$ 139,696	\$ 85,389,534	\$ (69,962,871)	\$ 15,566,359

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

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three months Ended December 31,	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (881,543)	\$ (1,624,224)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock-based compensation	51,708	44,321
Accretion of asset retirement obligation	1,715	1,408
Changes in assets and liabilities:		
Prepaid expenses and other current assets	(52,655)	(56,940)
Accounts payable	(574,188)	174,865
Accrued expenses	(10,032)	(6,840)
Accrued interest – related party	15,151	12,672
Accrued payroll, benefits and taxes	(3,663)	-
Net cash used by operating activities	<u>(1,453,507)</u>	<u>(1,454,738)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for mineral rights	(18,000)	(18,000)
Purchase of mineral rights	(10,933)	-
Net cash used by investing activities	<u>(28,933)</u>	<u>(18,000)</u>
Net decrease in cash and cash equivalents	(1,482,440)	(1,472,738)
CASH AT BEGINNING OF PERIOD	2,438,587	3,327,352
CASH AT END OF PERIOD	<u>\$ 956,147</u>	<u>\$ 1,854,614</u>

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

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 (Unaudited)

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS:

Timberline Resources Corporation (“Timberline” or “the Company”) was incorporated in August of 1968 under the laws of the State of Idaho as Silver Crystal Mines, Inc., for the purpose of exploring for precious metal deposits and advancing them to production. In 2008, the Company reincorporated into the State of Delaware, pursuant to a merger agreement approved by its shareholders.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- a. *Basis of Presentation and Going Concern* – The unaudited condensed consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information, as well as the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of the Company’s management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair statement of the interim condensed consolidated financial statements have been included. Operating results for the three-month period ended December 31, 2022 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2023.

For further information refer to the consolidated financial statements and footnotes thereto in the Company’s Annual Report on Form 10-K for the year ended September 30, 2022.

The accompanying condensed consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern. The Company has incurred losses since its inception. The Company has sufficient cash to fund normal operations and meet all of its obligations for the next 12 months without raising additional funds. However, we are an exploration company with exploration programs that require significant cash expenditures. A significant drilling program, such as those we have planned, can result in depletion of cash and return us to a position of insufficient cash to support normal operations for 12 months. The Company currently has no historical recurring source of revenue, and its ability to continue as a going concern is dependent on its ability to raise equity and/or debt capital to fund future exploration and working capital requirements, or the Company’s ability to profitably execute its business plan. The Company’s plans for the long-term return to and continuation as a going concern include financing its future operations through sales of common stock and/or debt and the eventual profitable exploitation of its mining properties. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These factors raise substantial doubt about the Company’s ability to continue as a going concern. The condensed consolidated financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. If the going concern basis were not appropriate for these condensed consolidated financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

- b. Accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the condensed consolidated financial statements upon adoption.
- c. *Principles of Consolidation* – The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, BH Minerals USA, Inc.; Lookout Mountain LLC; Wolfpack Gold (Nevada) Corp.; Staccato Gold Resources, Ltd.; and Talapoosa Development Corp., after elimination of intercompany accounts and transactions.
- d. *Net Income (Loss) per Share* – Basic earnings per share (“EPS”) is computed as net income (loss) available to common shareholders divided by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants, and other convertible securities.

The dilutive effect of convertible and outstanding securities as of December 31, 2022 and 2021 is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Stock options	8,335,000	8,335,000
Warrants	50,534,031	62,391,319
Total potential dilution	<u>58,869,031</u>	<u>70,726,319</u>

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 (Unaudited)

At December 31, 2022 and 2021, the effect of the Company's common stock equivalents would have been anti-dilutive. Accordingly, only basic EPS is presented.

NOTE 3 – PROPERTY, MINERAL RIGHTS, AND EQUIPMENT:

The following is a summary of property, mineral rights, and equipment and accumulated depreciation at December 31, 2022 and September 30, 2022, respectively:

	Expected Useful Lives (years)	December 31, 2022	September 30, 2022
Mineral rights – Eureka	-	\$ 13,804,608	\$ 13,786,608
Mineral rights – Seven Troughs, New York Canyon and other	-	166,724	142,770
Total mineral rights		<u>13,971,332</u>	<u>13,929,378</u>
Equipment and vehicles	2-5	53,678	53,678
Office equipment and furniture	3-7	70,150	70,150
Land	-	51,477	51,477
Total property and equipment		<u>175,305</u>	<u>175,305</u>
Less accumulated depreciation		<u>(123,828)</u>	<u>(123,828)</u>
Property, mineral rights, and equipment, net		<u>\$ 14,022,809</u>	<u>\$ 13,980,855</u>

Depreciation expense for the three months ended December 31, 2022 and 2021, was \$0 for each period.

Seven Troughs:

In its fiscal 2012, Timberline announced the acquisition from CIT Microprobe Holdings, LLC (California Institute of Technology) (“CIT”) of CIT’s interest in 3,900 acres (6.1 square miles) of patented and unpatented mining claims comprising the majority of the Seven Troughs gold mining district near Lovelock, Nevada. The acquired interest is as lessee under the terms of a 50-year lease, originally executed in 1975. Terms of the purchase agreement included a cash payment of \$50,000 and a 2-percent NSR production royalty reserved to CIT. While the Company is certain of its rights and obligations under the lease, the lessor’s identification became somewhat clouded over the years due to passing of the early lessor principal to the agreement and a lack of full clarity as to all the eventual inheritors of the property. The Company has met its obligations under the lease and has located and secured agreements with the heirs to acquire any of their residual rights. The Company is moving to have the agreements adjudicated appropriately. The Company has the option to purchase at any time one-half of the NSR production royalty for \$1 million.

On April 26, 2022, the Company entered into a Memorandum of Agreement with Normandy Gold Limited (“NDY”) to grant NDY a 12-month exclusive option to enter into an earn-in joint venture agreement with the Company regarding the Seven Troughs property. The MOA is still in effect at December 31, 2022. Subject to negotiation and execution of a definitive agreement, the option may provide NDY with the opportunity to solely fund \$5,000,000 of exploration over 6 years, make cash payments of \$250,000 to the Company and issue 2,000,000 NDY shares to the Company to ultimately earn a 75% interest in the property.

Earn-In Period:

To earn an initial 51% interest in the project, NDY must spend \$2,000,000 in exploration expenditures and make cash payments of \$250,000, as follows:

- \$100,000 of committed expenditures within the first 12 months from exercising the exclusive option;
- \$500,000 of expenditures (an additional \$400,000) within 24 months from exercising the exclusive option;
- Payment to the Company of \$100,000 in cash at 24 months from exercising the exclusive option or at such time as the Company demonstrates receipt of full title in the Seven Troughs claims, whichever is later;
- \$2,000,000 of expenditures (an additional 1,500,000) within 36 months from exercising the exclusive option; and
- Payment to the Company of \$150,000 in cash at 36 months from exercising the exclusive option.

During the Earn-In Period, NDY will be the operator of the project and be responsible for payment of annual federal and

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 (Unaudited)

county claim fees. NDY may withdraw from the Earn-In after spending \$100,000, or if the transfer of claims ownership to the Company is not successfully completed within 24 months of commencement of the Earn-In Period.

Joint Venture Period:

Upon completion of the Earn-In Period, NDY will hold 51% interest and the Company will have the option (for a period of up to 60 business days) to elect to fund and participate in a Joint Venture on the basis of its 49% interest in the project.

If the Company elects not to participate or fails to provide such notice within the 60-business day period, NDY can earn an additional 24% interest (for a total interest of 75%) in the project by:

- spending \$3,000,000 in exploration expenditures within three years from commencement of the joint venture, and
- Issuing the Company 2,000,000 common shares in the stock of NDY.

The Company received \$50,000 of the initial non-refundable cash payment in May 2022 and recorded it as a reduction to the carrying amount of mineral rights during that period. The Memorandum of Agreement is in force as of the filing of this report.

New York Canyon:

On August 23, 2022, the Company purchased one patented mining claim, comprising of a total of 13.77 acres commonly known as the South Wales #1 patent within the New York Canyon claim block, from Newmont Capital Limited for a total of \$41,310. In conjunction with this purchase, the Company granted a 1.5% net smelter return royalty to the seller.

On September 28, 2022, the Company purchased five patented mining claims, comprising of a total of 28.82 acres commonly known as the Tiger Lilly, Eureka Giant, Southern Cross, Maria and Best & Belcher patents with and near the New York Canyon claim block, from the University of Nevada, Reno Foundation for a total of \$86,460. In conjunction with this purchase, the Company granted a 1.5% net smelter return royalty to the seller. Two of the patented claims are not within the New York Canyon claim block but will be included with this designation on the Company's claims record references.

During the fourth quarter of fiscal 2022 and first quarter of fiscal 2023, the Company purchased an interest in three patented claims within the New York Canyon claim block from private parties for \$10,933. In conjunction with the purchase, the Company granted a 0.5% net smelter return royalty to the sellers.

NOTE 4 – SENIOR UNSECURED NOTE PAYABLE – RELATED PARTY:

On July 30, 2018, the Company entered into a loan agreement and promissory note with William Matlack, a significant shareholder and a director. Mr. Matlack loaned the Company \$300,000 in the form of a senior unsecured note payable, with the principal bearing interest at an annual rate of 18%, compounded monthly. The loan is unsecured and has a maturity date of January 20, 2023. Subsequent to December 31, 2022, the Company entered into an agreement with Mr. Matlack to extend the due date of the note for a period of six months to mature on July 20, 2023. At December 31, 2022 and September 30, 2022, the senior unsecured note payable balance was \$270,991.

The accrued interest on the senior unsecured note payable – related party was \$73,117 and \$57,966 at December 31, 2022 and September 30, 2022, respectively. Interest expense related to the senior unsecured notes payable to this related party was \$15,151 and \$13,004 for the three months ended December 31, 2022 and December 31, 2021, respectively.

The \$270,991 senior unsecured note payable would be senior to any other debt obtained by the Company subsequent to September 30, 2021. The note requires that when the Company enters into any other financings, 25% of the proceeds of such financings will be paid toward reduction of the principal and interest accrued on this note. At May 2, 2022 and continuing through December 31, 2022, Mr. Matlack provided a waiver of default on the Note that would otherwise have existed due to a non-payment of cash from sales of common stock for cash under this contract term for the note.

NOTE 5 – COMMON STOCK, WARRANTS AND PREFERRED STOCK:

At the Annual General Meeting of shareholders held on April 14, 2021, the shareholders approved an increase in the number of authorized common shares of the Company from 200,000,000 to 500,000,000, with no change in par value and no split or other modification to any outstanding shares. The Certificate of Incorporation of the Company in the State of Delaware was amended to reflect that change in October 2021.

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2022 (Unaudited)

During the quarter ended December 31, 2022, 2,880,867 Series C warrants expired.

At December 31, 2022, the Company has a total of 50,534,031 warrants outstanding with a weighted average exercise price of \$0.22 and a weighted average remaining contractual term of .67 years.

NOTE 6 – STOCK-BASED AWARDS:

During the year ended September 30, 2021, the Company’s shareholders approved an increase to the number of shares of common stock reserved for issuance under the Plan to 15,000,000 shares of common stock, including 10,000,000 shares of common stock reserved for incentive stock options. Upon exercise of options or other awards, shares are issued from the available authorized shares of the Company. Option awards are granted with an exercise price equal to the trading price of the Company’s stock at the date of grant.

On October 8, 2020, the Company granted a total of 1,100,000 options to purchase shares of the Company’s common stock that expire in five years with an exercise price of \$0.25 in conjunction with the appointment of officers and a director. These granted options had a total fair value of \$259,985. These options vested immediately, with the exception of 750,000 options that vest at 25% upon grant with the remaining 75% vesting over a three-year period. During the three months ended December 31, 2022 and 2021, \$51,708 and \$44,321 has been expensed to share-based compensation.

The following is a summary of options issued and outstanding:

	Options	Weighted Average Exercise Price
Outstanding at September 30, 2021	8,335,000	0.18
Granted	-	-
Expired	-	-
Outstanding at September 30, 2022	<u>8,335,000</u>	<u>\$ 0.18</u>
Granted	-	-
Expired	-	-
Outstanding at December 31, 2022	<u>8,335,000</u>	<u>0.18</u>
Outstanding and exercisable at December 31, 2022	<u>8,147,500</u>	<u>\$ 0.18</u>
Weighted average remaining contractual term (years)		<u>2.07</u>

The aggregate of options exercisable as of December 31, 2022 had an intrinsic value of \$136,500 for both outstanding and vested options, based on the closing price of \$0.13 per share of the Company’s common stock on December 31, 2022.

NOTE 7 – COMMITMENTS AND CONTINGENCIES:

The Company has the following commitments and contingencies:

Mineral Exploration

A portion of the Company’s mining claims on the Company’s properties are subject to lease and option agreements including advance minimum royalty payments, with various terms, obligations, and royalties payable in certain circumstances.

The Company pays federal and county claim maintenance fees on unpatented claims that are included in the Company’s mineral exploration properties. Should the Company continue to explore all of the Company’s mineral properties, it estimates annual fees to total approximately \$236,277 per year in the future.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

As used in herein, the terms “Timberline,” the “Company,” “we,” “us,” and “our” refer to Timberline Resources Corporation.

This discussion and analysis contains forward-looking statements that involve known or unknown risks, uncertainties and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Except for historical information, the matters set forth herein, which are forward-looking statements, involve certain risks and uncertainties that could cause actual results to differ. Potential risks and uncertainties include, but are not limited to, unexpected changes in business and economic conditions; significant increases or decreases in gold prices; changes in interest and currency exchange rates; unanticipated grade changes; metallurgy, processing, access, availability of materials, equipment, supplies and water; results of current and future exploration and production activities; local and community impacts and issues; timing of receipt and maintenance of government approvals; accidents and labor disputes; environmental costs and risks; competitive factors, including competition for property acquisitions; and availability of external financing at reasonable rates or at all, and those set forth under the heading “Risk Factors” in our Form 10-K filed with the United States Securities and Exchange Commission (the “SEC”) on December 29, 2022. Forward-looking statements can be identified by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continues” or the negative of these terms or other comparable terminology. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements. Forward-looking statements are made based on management’s beliefs, estimates, and opinions on the date the statements are made, and the Company undertakes no obligation to update such forward-looking statements if these beliefs, estimates, and opinions should change, except as required by law.

This discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements and related notes. The discussion and analysis of the financial condition and results of operations are based upon the unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis the Company reviews its estimates and assumptions. The estimates were based on historical experience and other assumptions that the Company believes to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but the Company does not believe such differences will materially affect our condensed consolidated financial position or results of operations. Critical accounting policies, the policies the Company believes are most important to the presentation of its consolidated financial statements and require the most difficult, subjective and complex judgments are outlined below in “Critical Accounting Policies” and have not changed significantly.

Corporate Overview

Our business is mineral exploration in Nevada with a focus on district-scale gold projects such as our Eureka Project. We are focused on delivering high-grade Carlin-type gold discoveries at Eureka. The Eureka Property includes the historic Lookout Mountain and Windfall Mines in a total property position of approximately 28 square miles (72 square kilometers). The Lookout Mountain Resource was reported in compliance with Canadian NI 43-101 in an Updated Technical Report on the Lookout Mountain Project by Mine Development Associates, Effective March 1, 2013, filed on SEDAR April 12, 2013:

Resource Category	Tonnage (million short tons)	Grade (oz/ton)	Grade (grams/tonne)	Contained Au (troy oz)
Measured	3.04	0.035	1.20	106,000
Indicated	25.90	0.016	0.55	402,000
Inferred	11.71	0.012	0.41	141,000

Effective January 1, 2021, the Securities and Exchange Commission (“SEC”) adopted amendments to modernize the property disclosure requirements for mining registrants and related guidance, which are currently set forth in Item 102 of Regulation S-K Subpart 1300 under the Securities Act of 1933 and the Securities Exchange Act of 1934. The amendments

more closely align the SEC's disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards.

We are also operator of the Paiute Joint Venture Project with Nevada Gold Mines in the Battle Mountain District. These properties all lie on the prolific Battle Mountain-Eureka gold trend. We also control the Seven Troughs Project in northern Nevada, which is one of the state's highest-grade former gold producers. We control over 43 square miles (111 square kilometers) of mineral rights in Nevada.

During our fiscal year ended September 30, 2022 and continuing in the quarter ended December 31, 2022, we have also acquired significant claims holdings within the New York Canyon claim block.

Detailed maps and mineral resources estimates for the Eureka Project and NI 43-101 technical reports for its projects may be viewed at <http://timberlineresources.co/>.

Summary of the exploration activities for the three months ended December 31, 2022:

The 2022 drill program at our 100%-controlled Eureka Project in Nevada was terminated during the quarter ending December 31, 2022. We reported the final results from that program on January 17, 2023. Eight drill holes were reported in that news release, including four from the Water Well Zone (WWZ), three from the Oswego target, and one large step out into the South Pediment area (Figure 1). Six of the eight holes were drilled with diamond core (or a pre-collar with reverse circulation and core tail), and two of the holes were completed with reverse circulation only. These eight holes constitute approximately 2,549 meters of the 6,662-meter drill program at Eureka.

Each of the holes in the WWZ encountered significant Carlin-type gold mineralization, confirming that the basal contact of the Dunderberg formation is consistently mineralized over a large area. Three drill holes (BHSE-225C, 231C, and 241C) near BHSE-212C (the best hole in the southern part of the WWZ, see Company news release dated March 24, 2022) yielded significant thicknesses of gold ranging from 8.5 to 29.0 meters.

Highlights from this phase of drilling are included below. These are drill hole widths using a cut-off grade of 0.3 g/t for gold; true thickness is not yet known:

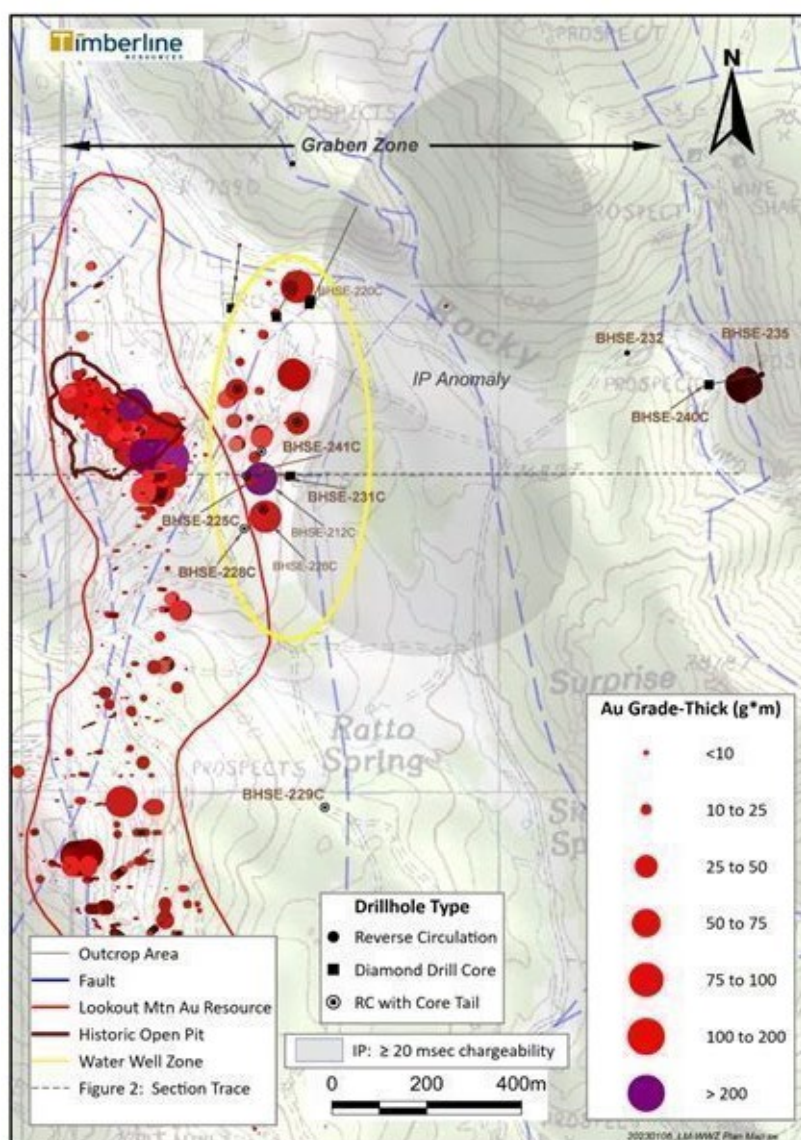
- BHSE-225C: 29.0m at 1.06 grams per tonne (g/t) gold from 294.7m depth, including
 - o 9.1m at 2.17 g/t gold from 305.4m depth; and
 - o 1.5m at 3.01 g/t gold from 308.5m depth;
- BHSE-231C: 8.5m at 2.38 g/t gold from 303.9m depth, including
 - o 4.0m at 3.63 g/t gold from 308.5m depth;
- BHSE-241C: 1.5m at 3.40 g/t gold from 305.4m depth;
- BHSE-241C: 25.9m at 0.72 g/t gold from 314.6m depth; including
 - o 7.6m at 1.3 g/t gold from 314.6m depth; and
 - o 1.5m at 3.65 g/t gold from 314.6m depth.

Geology and Interpretation of the WWZ Results

The four core holes in the southern part of the WWZ were directed at filling in the geological details around the thick zone of high-grade gold encountered in BHSE-212C. That drill hole passed through very well-developed collapse breccias at the contact between the Dunderberg and Hamburg formations that were intensely carbonized and clay-altered and infiltrated by arsenic and fine-grained pyrite. The heart of that 41.0-meter-thick interval included 19.8m averaging 9.5 g/t gold. These zones of intensely altered and mineralized breccia are believed to be best developed near faults. The latest drilling has confirmed continuity of the WWZ mineralization to the east, west, and north from BHSE-212C, but the assays also returned lower grades in each of these intercepts.

BHSE-225C was collared approximately 35m west of BHSE-212C, and BHSE-231C was located approximately 56m east of the high-grade hole. BHSE-241C was drilled inclined to the west from the same drill pad as BHSE-231C such that it penetrated the target horizon approximately 20m north of the gold intercept in BHSE-212C. The cross section in Figure 2 shows the geometry of these new drill holes relative to the earlier drill holes and the geology of the area.

Figure 1 – Plan View of New Drilling along Lookout Trend and at Oswego Target

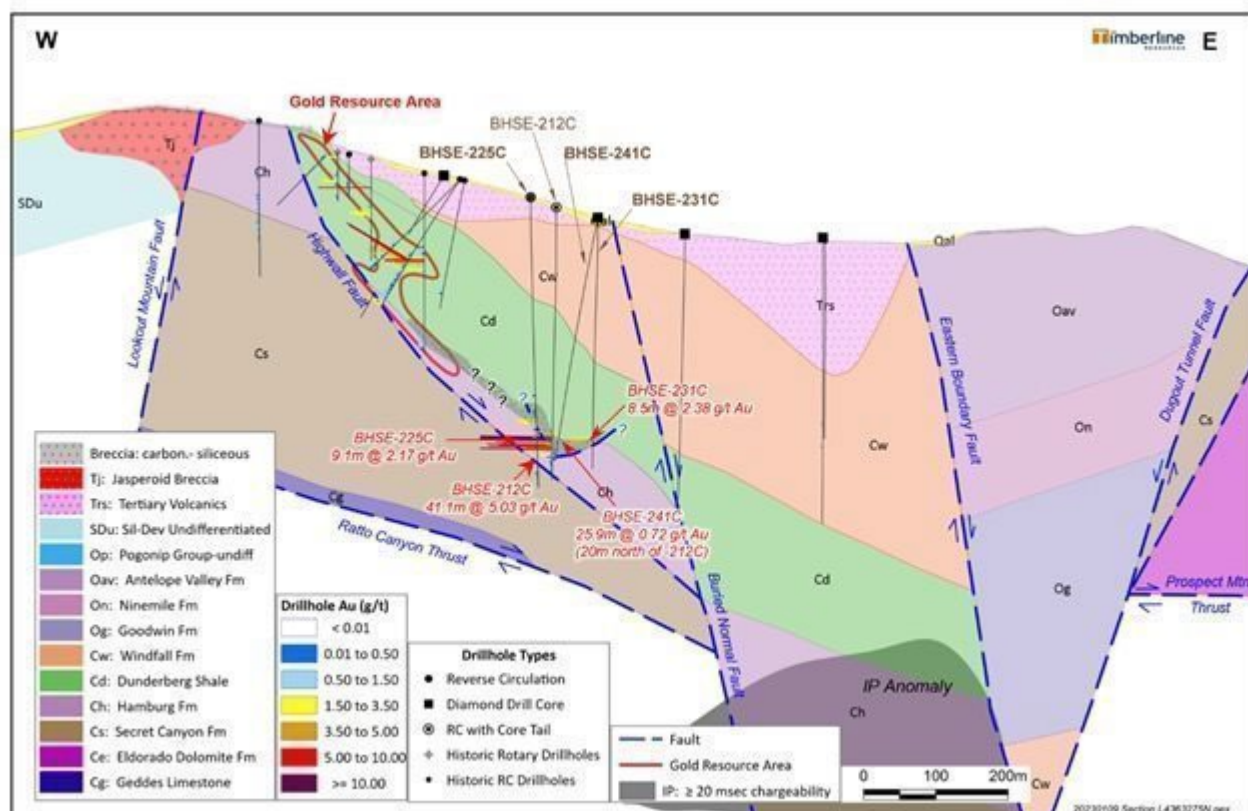


Careful examination of the drill core and assay data suggests that the high-grade intercept in BHSE-212C occupies a topographic low or trough within the top of the Hamburg formation. The Dunderberg formation also appears to thin a bit to the east. These phenomena are most likely related to one or more faults in the area (shown in blue with question marks on the cross section), which juxtapose the key Dunderberg-Hamburg contact into close proximity with the important Highwall Fault. The position of any individual drill hole relative to these newly realized faults and the Highwall or Buried Normal faults may be a determinant of the thickness and grade of gold in this part of the WWZ. These sorts of gaps and variability in grade and thickness are expected in Carlin-type deposits when chopped into segments and offset by numerous faults.

Importantly, the high-grade zone was already extended approximately 75m to the south with drillhole BHSE-226C (22.8m at 4.39 g/t gold, including 7.6m at 11.56 g/t gold, as reported in a Company news release dated [September 14, 2022](#)). The high-grade portion of the WWZ remains untested to the south and southeast for more than 500m. Drill hole BHSE-228C in this phase of results was an offset of approximately 60m southwest from BHSE-226C. The mineralized contact was present in this hole at the expected depth, but it comprised only 15.2m of 0.57 g/t gold.

The Lookout Mountain gold resource continues for more than 1.0 kilometre south from this latest drilling. Hence, Timberline geologists expect similar downdip targets, such as the WWZ, to occur in favorable settings along its eastern front. BHSE-229C was the Company's first attempt to chase the Dunderberg-Hamburg contact into this South Pediment area. While the drill hole did not cut significant high-grade mineralization, it did encounter 3.7m that averaged 0.63 g/t of oxide gold mineralization at the top of the Hamburg formation beneath structurally thinned Dunderberg formation. There is clear evidence of major faulting in the hole, so the team will be working to better understand the geology here before following up.

Figure 2 – Cross Section of Line 4363875N through the South WWZ with New Drilling



Geology and Interpretation of the Oswego Results

This round of drilling did not return significant gold results from the Oswego target. Two of the three holes (BHSE-232 and 235) in this area were RC holes aimed at testing for significant expansions of the surface and shallow drill indicated gold mineralization along this major fault structure. BHSE-232 did not encounter the western splay of the Dugout Tunnel fault as expected, so this means that a major break between Cambrian and Ordovician rocks is likely between here and the IP anomaly occupying the Graben Zone.

The location of BHSE-235 was dictated in part by road access due to the steep topography at Oswego. It was a vertical hole into the Eldorado dolomite, which is an important host of silver in the district. There was anomalous gold over about 37m of the hole, including 1.5m of 0.34 g/t, but there was silver mineralization averaging 2.25 g/t over approximately 27m. As is typical of the Carbonate Replacement Deposits (CRD) of the district, the silver is associated with elevated antimony, lead, and zinc.

Timberline also drilled the first core hole ever into the Oswego target, BHSE-240C. The hole was aimed to the east underneath the strong surface and shallow drill indicated gold reported in late 2021 and early 2022. Once again, the gold results were below expectations (29m of weakly anomalous gold with a maximum assay of 0.35 g/t), but there was a 15m zone of enriched silver (> 1.0 g/t) accompanied by antimony, lead, and zinc.

The shallow gold at Oswego remains open to the north and northeast, but it appears to occupy a complex fault system that may truncate or offset it at depth. Silicification and sulfidation are intense over a large area, and this is new evidence of CRD-type veining and replacement style mineralization that may constitute a separate target.

Results of Operations for the three months ended December 31, 2022 and 2021

Consolidated Results

(US\$)	Three Months Ended December 31,	
	2022	2021
Exploration expenses:		
Eureka	\$ 442,037	\$ 1,312,960
Other exploration properties	80,606	-
Total exploration expenditures	522,643	1,312,960
Non-cash expenses:		
Stock option expenses	51,708	44,321
Depreciation, amortization and accretion	1,715	1,408
Total non-cash expenses	53,423	45,729
Professional fees expenses	62,859	65,632
Insurance expenses	44,528	31,480
Salaries and benefits expenses	60,456	76,320
Interest and other (income) expense	11,447	13,753
Other general and administrative expenses	126,187	78,350
Net loss	\$ 881,543	\$ 1,624,224

Our consolidated net loss for the three months ended December 31, 2022 was \$881,543, compared to a consolidated net loss of \$1,624,224 for the three months ended December 31, 2021. The decrease in net loss is largely due to the significant decrease in exploration expenses.

Subject to adequate funding in 2023, we expect to continue to incur exploration expenses for the advancement of our Eureka Project.

Financial Condition and Liquidity

At December 31, 2022, we had assets of \$15,584,398, consisting of cash in the amount of \$956,147; property, mineral rights and equipment of \$14,022,809, net of depreciation, reclamation bonds of \$528,643, and prepaid expenses, deposits and other assets in the amount of \$76,799.

On December 31, 2022, we had total liabilities of \$599,471 and total assets of \$15,584,398. This compares to total liabilities of \$1,157,467 and total assets of \$16,972,229 on September 30, 2022. As of December 31, 2022, our liabilities consist of \$138,895 for asset retirement obligations, \$270,991 of senior unsecured note payable – related party, and \$189,586 of trade payables and accrued liabilities. Of these liabilities, \$460,576 are due within twelve months. The liabilities compared to September 30, 2022 have decreased, due to cash paid for trade payables and accrued liabilities during the three months ended December 31, 2022.

On December 31, 2022, we had working capital of \$566,670 and stockholders' equity of \$14,984,927 compared to working capital of \$1,423,723 and stockholders' equity of \$15,814,762 for the year ended September 30, 2022. Working capital experienced an unfavorable change because of the decrease in cash associated with payments related to our operations.

During the three months ended December 31, 2022, we used cash from operating activities of \$1,453,507, compared to cash used of \$1,454,738 for the three months ended December 31, 2021. The use of cash from operating activities results primarily from the net loss of \$881,543 for the three-month period ended December 31, 2022 compared to net loss of \$1,624,224 for the quarter ended December 31, 2021. Changes to the net loss for the comparative periods are described above.

During the three-month period ended December 31, 2022, cash of \$28,933 was used by investment activities, compared with cash of \$18,000 used for the three-month period ended December 31, 2021. During the quarter ended December 31, 2022, we paid \$28,933 for mineral rights, compared to \$18,000 paid for mineral rights for the quarter ended December 31, 2021.

During the three-month periods ended December 31, 2022 and 2021, \$nil was provided by financing activities.

Going Concern:

The audit opinion and notes that accompany our consolidated financial statements for the year ended September 30, 2022 disclose a 'going concern' qualification to our ability to continue in business. These consolidated financial statements have been prepared on the basis that the Company is a going concern, which contemplates the realization of our assets and the settlement of our liabilities in the normal course of our operations. Disruptions in the credit and financial markets over the past several years have had a material adverse impact on a number of financial institutions and investors and have limited access to capital and credit for many companies. In addition, commodity prices and mining equities have seen significant volatility which increases the risk to precious metal investors. Market disruptions and alternative investment options, among other things, make it more difficult for us to obtain, or increase our cost of obtaining, capital and financing for our operations. Our access to additional capital may not be available on terms acceptable to us or at all. If we are unable to obtain financing through equity investments, we will seek multiple solutions including, but not limited to, asset sales, corporate transactions, credit facilities or debenture issuances in order to continue as a going concern.

At December 31, 2022, we had working capital of \$566,670. We had \$460,576 outstanding in current liabilities and a cash balance of \$956,147. As of the date of this report on Form 10-Q, we have sufficient cash to meet our normal operating commitments for the next 12 months, without consideration of new exploration programs. Therefore, we do not expect to be required to engage in financial transactions to increase our cash balance or decrease our cash obligations in the near term. However, we are an exploration company with exploration programs that require significant cash expenditures. A significant drilling program, such as that we have recently executed, can result in depletion of cash and return us to a position of insufficient cash to support normal operations for the following 12 months. Such cash-raising efforts may include equity financings, corporate transactions, joint venture agreements, sales of assets, credit facilities or debenture issuances, or other strategic transactions.

The condensed consolidated financial statements do not include any adjustments that might be necessary should we be unable to continue as a going concern. We believe that the going concern condition cannot be removed with confidence until the Company has entered into a business climate where funding of its activities is more assured. If the going concern basis were not appropriate for these financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

We plan, as funding allows, to follow up on our positive drill results on our Eureka and Paiute Projects. Principally, we plan to execute drilling as part of the ongoing exploration program at Eureka. Also, subject to available capital, we may continue prudent exploration programs on our material exploration properties and/or fund some exploratory activities on early-stage properties.

We will require additional funding and/or reductions in exploration and administrative expenditures in future periods. Given current economic conditions, we cannot provide assurance that necessary financing transactions will be available on terms acceptable to us, or at all. Without additional financing, we would have to curtail our exploration and other expenditures while we seek alternative funding arrangements to provide sufficient capital to meet our ongoing, non-discretionary expenditures, and maintain our primary mineral properties. If we cannot obtain sufficient additional financing, we may be unable to make required property payments on a timely basis and be forced to return some or all of our leased or optioned properties to the underlying owners.

Financing Activities

None

Subsequent Events

None

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, results of operations, liquidity or capital expenditures.

Critical Accounting Policies and Estimates

There have been no significant changes to the critical accounting policies and estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operation in our 2022 Form 10K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Conclusions of Management Regarding Effectiveness of Disclosure Controls and Procedures

At the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision of and with the participation of our management, including the Principal Executive Officer and the Principal Financial Officer of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, it was concluded that our disclosure controls were effective as of the end of the period covered by this report, to ensure that: (i) information required to be disclosed by the Company in the reports that it files under the Exchange Act is recorded, processed, summarized, and reported within required time periods specified by the Securities & Exchange Commission rules and forms, and (ii) material information required to be disclosed in reports filed under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Accounting Officer, as appropriate, to allow for accurate and timely decision regarding required disclosure.

Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. This internal control system has been designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair statement of the Company's published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. To make this assessment, we used the criteria for effective internal control over financial reporting described in Internal Control-Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we believe that, as of December 31, 2022, the Company's internal control over financial reporting is not effective, due to the current inability to segregate duties inherent with limited staffing.

Management's Remediation Initiatives

Management's remediation initiatives included implementing additional segregation of duties over cash management, specifically in bank account reviews and reconciliations. An additional person, independent of the processing of processing of vendor invoices and payments has been engaged and assigned to perform the reviews and reconciliations of bank accounts on a monthly basis. Those responsibilities were initiated during the quarter ended December 31, 2022 and are expected to be fully in place and operation for subsequent quarters. The Company has three employees, and management has concluded that anticipated business growth and the accompanying expansion of staffing will improve effectiveness of the Company's internal controls over financial reporting.

Changes in Internal Control over Financial Reporting

There was no material change in internal control over financial reporting in the quarter ended December 31, 2022.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

We are not aware of any material pending litigation or of any proceedings known to be contemplated by governmental authorities which are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole. No director, officer or affiliate of Timberline and no owner of record or beneficial owner of more than 5% of our securities or any associate of any such director, officer or security holder is a party adverse to Timberline or has a material interest adverse to Timberline in reference to any currently pending litigation.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors as previously disclosed in our Annual Report on Form 10-K for the year ended September 30, 2022, which was filed with the SEC on December 29, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

There were no sales of unregistered equity securities during the fiscal quarter covered by this Quarterly Report on Form 10-Q.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

We consider health, safety and environmental stewardship to be a core value for the Company.

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities with respect to mining operations and properties in the United States that are subject to regulation by the Federal Mine Safety and Health Administration (“MSHA”) under the Federal Mine Safety and Health Act of 1977 (the “Mine Act”). During the quarter ended December 31, 2022, our U.S. exploration properties were not subject to regulation by the MSHA under the Mine Act.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS.

- 3.1 [Certificate of Incorporation of the Registrant as amended through October 31, 2014, incorporated by reference to the Company's Form 10-K as filed with the Securities and Exchange Commission on December 23, 2014](#)
- 3.2 [Amended By-Laws of the Registrant, incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on August 13, 2015.](#)
- 4.1 [Specimen of the Common Stock Certificate, incorporated by reference to the Company's Form 10SB as filed with the Securities Exchange Commission on September 29, 2005](#)
- 4.2 [Form of Warrant Agreement incorporated by reference to the Company's Form 10-Q filed with the Securities and Exchange Commission on August 11, 2016.](#)
- 4.3 [Form of Warrant Agreement for March and April 2017 Offering of Units, incorporated by reference to the Company's Form 10-Q filed with the Securities and Exchange Commission on May 15, 2017.](#)
- 4.4 [Form of the Series H Warrant, incorporated by reference to exhibit 99.1 to the Company's Form 8-K as filed with the Securities and Exchange Commission on April 1, 2019](#)
- 4.5 [Form of the Series G Warrant, incorporated by reference to exhibit 4.4 to the Company's Form 10-Q as filed with the Securities and Exchange Commission on August 14, 2019](#)
- 4.6 [Form of the Series I Warrant, incorporated by reference to exhibit 4.8 to the Company's Form 10-K as filed with the Securities and Exchange Commission on Jan 10, 2020](#)
- 4.7 [Form of the Series J Warrant, incorporated by reference to exhibit 4.5 to the Company's Form 8-K as filed with the Securities and Exchange Commission on October 25, 2019](#)
- 4.8 [Form of the Series K Warrant, incorporated by reference to exhibit 4.8 to the Company's Form 10-K as filed with the Securities and Exchange Commission on January 13, 2021](#)
- 4.9 [Form of the Series L Warrant, incorporated by reference to exhibit 4.1 to the Company's Form 8-K as filed with the Securities and Exchange Commission on September 1, 2020](#)
- 31.1* [Certification of Chief Executive Officer](#) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)
- 31.2* [Certification of Principal Financial Officer](#) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rules 13a-14 and 15d-14 of the Exchange Act)
- 32.1* [Certification of Chief Executive Officer](#) pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)
- 32.2* [Certification of Principal Financial Officer](#) pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)
- 101.INS* XBRL Instance Document
- 101.SCH* XBRL Taxonomy Extension Schema Document
- 101.CAL* XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF* XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB* XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE* XBRL Taxonomy Extension Presentation Linkbase Document

* - Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TIMBERLINE RESOURCES CORPORATION

By: /s/ Patrick Highsmith

Patrick Highsmith
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 9, 2023

By: /s/ Ted R. Sharp

Ted R. Sharp
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: February 9, 2023

Exhibit 31.1

CERTIFICATION

I, Patrick Highsmith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Timberline Resources Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2023

By: /s/ Patrick Highsmith

Patrick Highsmith, President, Chief Executive Officer and Principal Executive Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant to be furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

CERTIFICATION

I, Ted R. Sharp, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Timberline Resources Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2023

By: /s/ Ted R. Sharp
Ted R. Sharp, Chief Financial Officer, Principal Financial Officer

A signed original of this written statement has been provided to the registrant and will be retained by the registrant to be furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Timberline Resources Corporation, (the "Company") on Form 10-Q for the period ending December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrick Highsmith, Chief Executive Officer, President and Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Timberline Resources Corporation.

/s/ Patrick Highsmith

Patrick Highsmith, Chief Executive Officer and President

DATE: February 9, 2023

A signed original of this written statement required by Section 906 has been provided to Timberline Resources Corporation and will be retained by Timberline Resources Corporation to be furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Timberline Resources Corporation, (the "Company") on Form 10-Q for the period ending December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ted R. Sharp, Chief Financial Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Timberline Resources Corporation.

/s/ Ted R. Sharp

Ted R. Sharp, Chief Financial Officer

DATE: February 9, 2023

A signed original of this written statement required by Section 906 has been provided to Timberline Resources Corporation and will be retained by Timberline Resources Corporation to be furnished to the Securities and Exchange Commission or its staff upon request.